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MEMORANDUM OF ASSOCIATION

AND

ARTICLES OF ASSOCIATION

OF

SUN PHARMACEUTICAL INDUSTRIES LIMITED

= = = = =



भारत • आई • आर •

FORM I. R.

CERTIFICATE OF INCORPORATION

निगमन का प्रमाण-पत्र

ता.....का स.....

No. 04-19050.....of 199.2-93.....

में एतद्वारा प्रमाणित करता हूँ कि आज _____

कम्पनी अधिनियम 1956 (1956 का 1) के अधीन निगमित की गई है और यह कम्पनी पब्लिक लिमिटेड है।

I HEREBY CERTIFY THAT SUN PHARMACEUTICAL
INDUSTRIES LIMITED

IS THIS DAY INCORPORATED UNDER THE COMPANIES
ACT, 1956 (NO. 1 OF 1956) AND THAT THE COMPANY
IS LIMITED.

मेरे हस्ताक्षर से आज ता _____ को दिया गया।

GIVEN UNDER MY HAND AT AHMEDABAD THIS

FIRST _____ DAY OF _____ MARCH

ONE THOUSAND NINE HUNDRED NINETY THREE.



S.K. Ravi
(S.K. RAVI)
Registrar of Companies,
GUJARAT,
Dadra & Nagar Haveli

Co. No. C4-19050



सत्यमेव जयते

Certificate For Commencement of Business

Pursuant of section 149 (3) of the Companies Act, 1956

I hereby certify that the SUN PHARMACEUTICAL
INDUSTRIES LIMITED. --- ---

which was incorporated under the Companies Act, 1956, on
the FIRST day of MARCH 1993

and which has this day filed a duly verified declaration in the
prescribed form that the conditions of section 149 (1) (a) to (d)
149 (2) (a) to (c) of the said Act, have been complied with is
entitled to commence business. under Part IX of the Act.

Given under my hand at AHMEDABAD
this EIGHTEENTH day of MARCH
One thousand nine hundred and NINETYTHREE.



S. K. Ravi
(S. K. RAVI)
Registrar of Companies.
GUJARAT

THE COMPANIES ACT, 1956
COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF
SUN PHARMACEUTICAL INDUSTRIES LIMITED

MEMORANDUM OF ASSOCIATION OF SUN PHARMACEUTICAL INDUSTRIES LIMITED, a Company under Part IX of the Companies Act, 1956 made and entered this 15th day of February one thousand nine hundred and ninety three between:

1. SHRI DILIP SHANTILAL SHANGHVI of BARODA, Indian inhabitant (hereinafter referred to as the party of the First Part) of the First Part;
2. SHRI JAYANT SHANTILAL SHANGHVI of BARODA, Indian Inhabitant (hereinafter referred to as the party of the Second Part) of the Second Part;
3. M/S. TEJASKIRAN PHARMACHEM INDUSTRIES PRIVATE LIMITED, a company incorporated under Companies Act, 1956 (hereinafter referred to as the party of the Third Part) of the Third Part;
4. M/S. FAMILY INVESTMENT PRIVATE LIMITED, a company incorporated under Companies Act, 1956 (hereinafter referred to as the party of the Fourth Part) of the Fourth Part;
5. M/S. QUALITY INVESTMENT PRIVATE LIMITED, a company incorporated under Companies Act, 1956 (hereinafter referred to as the party of the Fifth Part) of the Fifth Part;
6. M/S. VIRTUOUS FINANCE PRIVATE LIMITED, a company incorporated under Companies Act, 1956 (hereinafter referred to as the party of the Sixth Part) of the Sixth Part;
7. M/s. VIDITI INVESTMENT PRIVATE LIMITED, a company incorporated under Companies Act, 1956 (hereinafter referred to as the party of the Seventh Part) of the Seventh Part;

AND WHEREAS the parties hereto were carrying on business under name and style of M/s. SUN PHARMACEUTICAL INDUSTRIES with its principal place of business at Vapi (Gujarat) under an original Partnership Deed dated 8th April, 1982 since modified by the Admission cum Retirement Deed dated 20th April, 1982 and since further modified by Partnership Deed dated 1st January 1984 and since further modified by Partnership Deed dated 1st October, 1987 and since further modified Retirement and Reconstitution Deeds both dated 30th April, 1988, and since further modified by Partnership Deed dated 29th August, 1991 having been duly registered under the provision of the Indian Partnership Act with the Registrar of firms, Surat (Gujarat) vide Registration number GUJ/SRT(5)/800.

THAT THE PARTY OF the First Part has been the Partners of the Firm vide Partnership Deed dated 8th April, 1982, the Party of the Second Part has been Partner vide Partnership Deed dated 1st January, 1984 and the Party of the Third Part has been Partner vide Partnership Deed dated 1st October, 1987 and the Party of the Fourth Part, Fifth Part, Sixth Part and Seventh Part has been partners vide Partnership Deed dated 29th August, 1991.

THAT THE PARTIES hereinabove executed Partnership Deed dated 29th August, 1991 and that the Firm has been carrying on business as specified in the Partnership Deed dated 29th August, 1991 with its Office at Vapi.

WHEREAS all the parties hereto who are the members of the said partnership business and for the sake of smooth working and better and effective management and improvement and advancement of business, have agreed and decided vide resolution dt. 15th October, 1992 (Marked Exhibit 'A') that all the members of the partnership (being a joint stock company with the meaning of the said term as defined by sec. 566 of the Companies Act, 1956) should register the said joint stock Company under Part IX of the Companies Act, 1956 as a public company for carrying on and continuing the said business of the firm uninterrupted in a joint stock company and to abide by and be subject to the declaration and regulations contained in the Memorandum and Articles of Association following; and

WHEREAS the parties hereto have mutually agreed that their share in the present joint Stock Company represented by Capital account, right to assets and shares in profit shall continue exactly in the same proportion, when the joint Stock Company i.e. partnership firm is registered as Company and accordingly their respective shareholding in the share capital as the members of the said joint Stock Company at the time of registration shall be in the following manner. The permanent capital for the time being shall be as under:

Name of the Partners	Amount Rs.	No. of Equity shares of Rs.10/= each fully paid up (Parties are entitled to on registration)	%
1. Shri Dilip Shantilal Shanghvi	13,20,000	1,32,000	66%
2. Shri Jayant Shantilal Shanghvi	4,60,000	46,000	23%
3. M/s. Tejaskiran Pharmachem Industries Private Limited	1,00,000	10,000	5%
4. M/s. Family Investment Private Limited	30,000	3,000	1.5%
5. M/s. Quality Investment Private Limited	30,000	3,000	1.5%
6. M/s. Virtuous Finance Private Limited	30,000	3,000	1.5%
7. M/s. Viditi Investment Private Limited	30,000	3,000	1.5%
	20,00,000	2,00,000	100%

NOW THIS INDENTURE WITNESSETH THAT EACH OF THE PARTIES HERETO respectively so far as it relates to the acts and deeds of himself, his representatives, heirs, executors, administrators, hereby agrees and covenants mutually amongst themselves and each of them and any other person/s that may hereinafter join or become member of the Company in the manner contained in the Memorandum and Articles of Association, to be a Joint Stock Company, under the name and style specified in the memorandum and that such Company and members thereof shall be subject to the declarations and regulations contained in the Memorandum and Articles of Association, in these presents, unless there be something in the subject or context in consistent therewith, the expression "Company" means the Joint Stock Company and the Partnership herein referred to and after registration of the Company so registered.

I. The name of the Company is "SUN PHARMACEUTICAL INDUSTRIES LIMITED"

II. The Registered office of the Company will be situated in the state of Gujarat.

III. The objects for which the company is established are:

(A) THE MAIN OBJECT OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS REGISTRATION IS:

- To carry on the business as manufacturers, dealers, job workers, processors, Sellers, retailer, buyers, wholesalers, importers, exporters in pharmaceuticals, pharmaceutical-fine-Chemicals, pharmaceutical products, bulkdrugs, intermediates, medicines, allopothic, ayurvedic, homeopathic, unani, patent medicines, lotions, cosmetics, formulations, pills, injection, tablets, capsules, ointments, palsma, biological products biotechnological products monoclonal antibodies, genetic, engineering products, tissue culture products, herbs, cosmetics, toiletries and to carry on the business of vialling, bottling, repacking, processing of capsules, syrups, tablets and ointments.

1A. To establish, provide, maintain and conduct or otherwise subsidize research and development laboratories or facilities and experimental workshops for scientific and technical research and to undertake and carry on all types of science and technical research, experiments, process developments and tests to all kinds and to promote, sell and lease studies and research both scientific and technical investigations, process development and invention in pharmaceutical formulations and research both scientific and technical investigations, process development and invention in pharmaceutical formulations, bulk drugs, etc. and to make available products and processes on commercial scale or otherwise to pharmaceutical and other Companies and other persons and also to maintain, provide, subsidize, endow or assist laboratories, workshops, libraries, lectures, meetings and conferences and to provide for the remunerations of scientific or technical researchers of professors or teachers and to provide for the award of exhibitions, scholarships, prizes and grants to students or otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments, tests of any kind that may be considered likely to assist the business which the company is authorised to carry on.

B. OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECT:

2. To make, accept donations, gifts, with or without such conditions, restrictions, obligations, stipulations and liabilities as are not derogative to the provisions of law;
3. To make deposits, enter into recognizance bonds and otherwise give security for the due execution of the offices and performance of the duties of executors, administrators, trustees, managers, treasures and agents.
4. To hold, administer, sell, realise, invest, dispose off, and deal with the moneys and property, both real and personal and to carry on, manage, sell, realise, dispose off and deal with any business comprised or included in any estate of which the Company are executors, or administrators, or in any trust of which the Company are trustees, or of which the Company are administrators or agents.
5. To buy, sell, import and export and otherwise deal in all kinds of containers packing materials necessary for the purpose of carrying on business of the Company including apparatus, bottles, caps, stoppers, boxer and cases of wholly of card, wood or otherwise.
6. To vote upon or in respect of any shares, securities bonds, notes, other evidence, interest or application of any corporations, trusts, association or concern whether or not affecting the security or the apparent security of the trust property or the purchase or sale or lease of the assets of any such corporation, trust, association or concern and to enter into or establishing any voting trusts in respect of any such shares, securities or property and to appoint, remove and replace any voting trustees either jointly with other/s or not, they in their absolute discretion shall deem fit and to deposit any such shares, securities or property in any voting trustees or with any depository discriminated thereby and to give proxies or powers or attorney with or without power for substituting or for voting or acting on behalf of the trustees as the owner of any such property.
7. To undertake and execute any trust or discretion the undertaking whereof may seem desirable, and the distribution amongst the beneficiaries, pensioners or other persons entitled thereto, of any income, capital annuity or other sum or sums of money or property, whether periodically or otherwise, and whether in money or specie in furtherance of any trust, direction, discretion or other obligation or permission.
8. To enter into contracts, agreements and arrangements with any other Company for the carrying out by such other Company on behalf of the Company of any of the objects for which the Company is formed.
9. To take, hold mortgage, liens and charges, to secure the payments of the purchase price or any unpaid balance of the purchase price of any part of the Company's property of whatsoever kind sold by the Company or any money due to the Company from the Purchaser and others.
10. For the purpose of the business of the Company to transact and carry on all kinds of agency business.
11. To open Bank Account of all nature including over draft accounts and to operate the same.
12. To repair, alter, clean any goods from time to time belonging to the Company. To carry on business as designers, agents and advisors as may be required for the attainment of the objects.
13. To furnish and provide deposits and guarantee funds, required in relation to any tender or application for any contract, concession, decree, enactments, property or privileges or in relation to the carrying out of any contract, concession, decree or enactments.
14. To employ experts to investigate and examine into the condition, prospects, value, character and circumstances of business concerns and undertakings and generally of any assets, property or rights.
15. To carry on branch of a business which this Company is authorised to carry on business means, or through the agency of any subsidiary Company or Companies and to enter into any arrangement with such subsidiary Company for taking the profits and bearing the losses of any business or branch so carried on, or for financing any such subsidiary Company or guaranteeing its liabilities, or to make any other arrangement which may seem desirable with

reference to any business or branch so carried on including power at any time and either temporarily or permanently to close any such branch or business.

16. To nominate Directors or Managers of any subsidiary Company or of any other Company in which this Company is or may be interested.
17. To take part in the management, supervision and control of the business or operations of any Company having similar objects or undertaking and for that purpose to appoint and remunerate any Directors, trustees, accountants or other experts or agents.
18. To purchase, take on lease or in exchange, hire or otherwise acquire any immovable or moveable property and any rights or privileges which the Company may think necessary or convenient for the purposes of its business and in particular any land, buildings, easements, machinery, plant and stock-in-trade, and either to remain any property so acquired for the purpose of the Company's business or to turn the same to account as may seem expedient.
19. To construct, improve, maintain, develop, work, manage, carry out or control any buildings, factories, or works, or any road ways, branches or sidings, bridges, well, reservoir, watercourses, wharves, warehouse, electrical works, shops, store, chawls and other buildings, for housing work people and conveniences which may seem calculated directly or indirectly to advance the Company's interests and to contribute to subsidise, or otherwise assist or take part in the construction, improvement, maintenance, developments, working, management, carrying out or control thereof.
20. To let on lease or on hire-purchase system or to lend or otherwise dispose off any property belonging to the Company, and to finance the purchase of any article or articles, made by the Company or not by way loans or by the purchase of any such article or articles, and to letting thereof on the hire-purchase system or otherwise howsoever.
21. To sell, grant, licence, easements and other rights over and in any other manner deal with or dispose off, the under-taking, property, assets, rights and effects of the Company, or any part thereof for such consideration as the Company may think fit, and in particular for shares, debentures, or securities of any other Company.
22. To acquire and undertake the whole or any part of the business, property and liabilities or any person or Company carrying on or proposing to carry on business which the Company is authorised to carry on, or possessed of property suitable for the purpose of this Company.
23. To amalgamate, enter into any partnership or partially amalgamate with or acquire interest in the business of any other Company, person or firm carrying on or engaged in, or about to carry on or engaged in any business or transaction included in the objects of the Company, or enter into any arrangement for sharing profits, or for co-operation, or for limiting competition or for mutual assistance, with any such person, firm or Company and to give or accept by way of consideration for any of the acts or things aforesaid or property acquired any shares, debentures, debenture-stock or securities that may be agreed upon, and to hold and retain, or sell, mortgage and deal with any shares, debentures, debenture-stock or securities so received.
24. To enter into any arrangement for sharing profit or losses of for any union of interest joint venture, reciprocal concession or co-operation with any person or persons, or Company or Companies carrying on, or engaged in or about to carry on, or engage in, business or transaction which this Company is authorised to carry on.
25. To establish or promote or concur in establishing or promoting any Company or Companies having similar objects for the purpose of acquiring any Company or Companies for the purpose of acquiring all or any of the property, rights and liabilities of the Company and to place or guarantee the placing of underwrite, subscribe for or otherwise, acquire all or any part of the shares, debentures or other securities of any such other Company.
26. To enter into any arrangement with any Government or authority supreme, municipal, local or otherwise, or any person or Company that may seem conducive to the Company's objects or any of them and to obtain from any such Government authority, person or Company any rights, privileges, charters, contracts, licences and concessions which the Company may think fit desirable to obtain, and to carry out, exercise and comply therewith.
27. To apply for, promote and obtain any Act, charter, privileges, concessions, licence, authorisations if any, Government State or Municipality, provisional order or licence of any authority for enabling the Company to carry any of its objects into effect, or for extending any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly or prejudice the Company's interest.
28. To establish, provide, maintain and conduct or otherwise subsidise research laboratories and experimental workshops for scientific and technical research and experiments and to undertake and carry on with all scientific technical researches, experiments and tests of all kinds and to promote studies and research both scientific and technical investigations and invention by providing, subsidising, endowing or assisting laboratories, workshops. libraries, lectures, meetings and conferences and by providing for the remunerations of scientific or technical professors or teachers and by providing for the award of exhibitions scholarships, prizes and grants to students or otherwise and

generally to encourage, promote and reward studies, researches, investigations, experiments, tests and inventions of any kind that may be considered likely to assist any of the businesses which the Company is authorised to carry on.

29. To make donation to such persons or institutions and in such cases and either of cash or any other assets as may be thought directly or indirectly conducive to any of the Company's objects or otherwise expedient and in particular to remunerate any person or corporation introducing business to this Company and also to subscribe, contribute, or otherwise assist or guarantee money for charitable, scientific, religious or benevolent, national, public or other institutions objects or for any exhibition or for any public, general or other objects and to establish and support or aid in the establishment and support or associations, institutions, funds, trusts and convenience for the benefit of the employees or ex-employees (including Directors) of the Company or its predecessors in business or of persons having dealings with the Company or the dependents, relatives or connection of such persons and in particular friendly or other benefit societies and to grant pensions, allowances, gratuities and bonuses either by way of annual payment or a lumpsum and to make payments towards insurance and to form and contribute to provident and benefit funds of or for such persons.
30. To refer or agree to refer any claims, demand, dispute or any other question, by or against the Company, or in which the Company is interested or concerned, and whether between the Company and the member or members or his or their representatives, or between the Company and third parties, to arbitration in India or at any place outside, India, and to observe and perform and do all acts, deeds, matters and things to carry out or enforce the awards.
31. To pay out of the funds of the Company all expenses with the Company may lawfully pay with respect to the formation and registration of the Company or the issue of its capital including brokerage and commissions for obtaining applications for or taking, placing or underwriting or procuring the underwriting of shares, debentures or other securities of the Company.
32. To pay all preliminary expenses of any Company promoted by the Company or any Company in which this Company is or may contemplate all or any part of the costs and expenses of the owners of any business or property acquired by the Company.
33. To pay for any rights or property acquired by the Company and to remunerate any person or Company for service rendered or to be rendered in placing or assisting to place or guaranteeing the placing of shares in the Company's capital or any debentures, debenture-stocks, or other securities of the Company, or the acquisition of property by the Company or the conduct of its business whether by cash payment or by the allotment of shares, debentures, or other securities of the Company credited as paid up in full or in part or otherwise.
34. To adopt such means of making known the business of the Company as may seem expedient, and in particular by advertising in the press, television by circulars and exhibition of works of art or interest, by publication of books and periodicals, and by granting prizes, rewards and donations.
35. To lend and advance money or to give credit to such persons or Companies and on such terms and may seem expedient and in particular to customers and others having dealings with the Company and to guarantee the performance of any contract or obligation and the payment of money to or by any such persons or Companies and generally to give guarantees and indemnities.
36. To invest and deal with the money of the Company not immediately required in such manner as may from time to time be determined.
37. To receive money on deposit or loan and borrow or raise money in such manner as the Company shall think fit and in particular by the issue of debentures, or debenture-stock (perpetual or otherwise) and to secure the repayment of any money borrowed, raised or owing by mortgage, charges or lien upon all or any any of the property or assets of the Company (both present and future), including its uncalled capital and also by a similar mortgage, charge or lien to secure and guarantee the performance by the Company or any other person or Company of any obligation undertaken by the Company or any other person or Company as the case may be provided that the Company shall not carry out banking business and insurance business.
38. To undertake and execute any trusts the undertaking of which may seem to the Company desirable and either gratuitous or otherwise.
39. To draw, make, accept, endorse, discount, execute and issue bills of exchange, promissory notes, bills of lading warrants, debentures and other negotiable or transferable instruments or securities.
40. To improve, manage, develop, exchange, mortgage turn to account or otherwise deal with all or any part of the property and rights of the Company for the time being.
41. Subject to the provisions of the Companies Act, 1956 to distribute among the members in specie any property of the Company, or any proceeds of sale or disposal of any property of the Company in the event of winding up.

42. To insure the whole or any part of the property of the Company either fully or partially to protect and indemnify the Company from liability or loss in any respect either fully or partially and also to insure and to protect and indemnify any part or portion thereon either on mutual principal or otherwise.
43. To carry out in any part of the world all or any part of the foregoing objects as principals, agents, factor trustees, contractor, either alone or in conjunction with any other person, firm association, corporate body, municipality province state or government or colony or dependency thereof.
44. To exercise all or any of its corporate powers rights and privileges and to conduct its business in all or any of its branches in the Union of India and in any or all states, territories, possession colonies and dependences thereof and in any or all foreign countries and for this purpose to have and maintain and to discontinue such number of offices and agencies therein as may be convenient.
45. To procure the Company to be registered or recognised in any part of the world.
46. To assist the Government authorities and other institutions for rural upliftment, creating employment, social development and other activities for the benefit of general public either actively or otherwise and by contributions, in cash or otherwise and also to undertake any of the aforesaid activities, alone or conjunctively with other.
47. To assume such social responsibilities and obligations as may from time to time be decided, depending upon the ideologies and social values prevalent at that time and to assist the Government in achieving its various socio-economic goals in any manner as may time to time be decided.
48. To acquire, undertake, conduct, carry on or help to carry on scientific research and development for the extension and advancement of knowledge in the fields of nature and applied science so that the R & D efforts serve the social, economic and industrial needs of the Country within the guidelines laid down by the department of Science and Technology, Government of India.
49. To purchase, sell, resell, exchange and repurchase, mortgage, let out on hire, cultivate or otherwise deal with lands, buildings, machinery, engines, plants and materials necessary or useful for the purpose of the business of the Company.
50. To promote, conduct, manage, contribute, to or otherwise assist any provident fund, superannuation, gratuity and other funds or arrangements for sharing union of interest, co-operation or other schemes for the benefit of the employees of the Company and to pay gratuity, pension, bonus, extra remuneration or compensation of any kind to any officer, servant or workman or other employee of the Company as the Company or its Directors may from time to time think fit.
51. To conduct or organise any programme of rural development including any programme for promoting the social and economic welfare, afforestation Programme and upliftment of the public in the rural areas in India to obtain any recognition, approval or permission for any authority or authorities as may be required by themselves or to contribute or assist the associations or institutions carrying out such rural development programmes.
52. To extend the business of the Company by adding, to altering or enlarging from time to time, all or any of the building premises and machinery for the time being the property of the Company also by erecting new or additional buildings on or any of the lands and premises for the time being the property of the company and also by expending from time to time such sums of money as may be in opinion of the Directors necessary or expedient of the purposes of improving, adding to, altering, repairing and maintaining the building, machinery and property of the Company.
53. To construct or take on lease or rental or agreement dwelling houses or houses for employees, chawls and other buildings on any land purchased, leased or otherwise acquired anywhere in India or abroad for the company and for any of the purposes connected with the business of the Company.
54. To undertake the payment of all rent, and the performance of all covenants, conditions and agreements contained in and reserved by and lease that may be granted or assigned to or be otherwise acquired by the Company
55. To purchase the reversion or reversions or otherwise acquire the freehold or free simple of all or any part of the lands for the time being hold under lease or for any estate less than a freehold estate by the Company.
56. To sell lease, mortgage or exchange the whole or any part of the property whether moveable or immovable of the Company for the time being.
57. To associate, with negotiate or enter into contracts with any person, foreign Companies, firm, individuals for technical collaboration or for acquiring the know-how from them or to import or supply the know-how on such terms and conditions as the Company might deem fit, in any field of its activity or business.
58. To establish, maintain and operate, general education and institutions, technical training institutions, schools, colleges, hostels for the benefit of children, of the directors. ex-directors of the Company or employees, ex-employees of the Company, their dependents or other persons connected with the Company and to grant award, scholarship, pensions, allowance, lump sums payments.

59. To give on hire-purchase system or lend or otherwise dispose off any property belonging to the Company and to finance the purchase of any article or articles, whether made by the Company or not, by way of loans or by the purchase of any such articles or article and the letting thereof on the hire-purchase system or otherwise howsoever.
60. To sell any patent, rights or privileges belonging to the Company or which may be acquired by it, or any interest in the same and to grant licences for the use and practice of the same or any of them and to let or allowed to be used or otherwise deal with any inventions, patents, privileges in which the Company may be interested and to do all such acts and things as may be deemed expedient for turning to account any inventions, patent and privileges in which the Company may be interested.
61. To create any depreciation fund, reserve fund, sinking fund, insurance fund, or any other special fund, whether for depreciation or for repairing, improving, extending or maintaining any of the property of the Company or for redemption of debentures or redeemable preference shares or any other purposes whatsoever conducive to the interest of the Company.
62. To vest any moveable or immovable property, rights or interest acquired by or belonging to the Company in any person or Company on behalf of or for the benefit of the Company and with or without any declared trust in favour of the Company.
63. To guarantee the fidelity of persons filling or about to fill situations or trust or confidence, and the due performance and discharge of such persons of all or any of the duties and obligations imposed on them by contract or otherwise.
64. To guarantee the due performance and discharge by receivers, committees, guardians, executors, administrators, trustees, attorneys, brokers and agents of their respective duties and obligations.
65. To subscribe, undertake, acquire, take up and hold shares, stocks, debentures, debenture stock, bonds, obligations, and securities issued or guaranteed by any Company constituted or carrying on business in India or in any foreign country and debentures guaranteed by any Government, Sovereign Ruler, Commissioners, public body, or authority, supreme, municipal local or otherwise whether at home or abroad.
66. To register the Company under any other statute, whether in or outside India.

C. OTHER OBJECTS:

67. To carry on business as manufacturers, buyers, sellers, importers, dealers, exporters of spices, essential oils, medical plants, fats and fat oils.
68. To carry on business of processors, refiners, mixers, proporators, distillators, graditioners, reducer, oxidators, spenners, annealers and providing services for the business of the Company.
69. To carry on the business as manufacturers, sellers, buyers, dealers, importers, exporters in artificial limb makers, crutch chair & stretcher makers, hearing aids, carriage products, gloves, bandage, paper products of all kinds including sanitary tissues, surgical instruments and appliances of all kinds.
70. To carry on business as importers, exporters, buyers and sellers of and merchants and dealers in goods, materials, machinery of all kinds, spare parts, accessories and equipments in connection with the above objects of the Company.
71. To buy, sell, manufacture, refine, manipulate, import, export and deal in clothes items capable of being used in above business of the Company or required by any customers or persons having dealings with the Company.
72. To act as a trustees, professional trustee, debenture, trustees and to accept the confidence or trust without remuneration, compensation or profits to act as debenture trustee to undertake.
73. To manufacture, refine, manipulate, import and export, buy, sell and deal in alkalies, acids, and tannis, essences, salts and marine minerals, photographical, sizing, industrials, minerals, and other waters, fats, fertilizers, manures, clips, vermifugs, fungicides and remedies for agricultural fruits, growing or other purposes or as remedies for men or animals and whether produced from vegetable or animal matter or by and chemical process.
74. To carry on the business of consultants and advisers to individuals, bodies corporate, societies, undertakings, institutions, associations, government, local authorities and other relating to the administration, organisation, production, storage and marketing, sales and management of industry and business and generally to carry on the business of industrial and business consultants.
75. To act as experts and values of annuities endowments, survivorships, immediate deferred, determinable, contingent, or reversinary and other estates, rights or interest and to carry on the business of valuers generally.
76. To manufacture, prepare, import, export, buy sell, supply distribute, store, stock, maintain and otherwise handle, deal in and carry on business in glass-ware, rubber ware, china-ware, metalware, instruments, implements, tools, apparatus, papers, linen, cotton and all other things and articles required or convenient for or in connection with the business of the Company.

77. To carry on the business of makers of and dealers in proprietary articles of all kinds and of electrical chemical, photographic, surgical and scientific apparatus and materials.
78. To manufacture, buy, sell, exchange, alter, improve, manipulate prepare for market and otherwise deal in all kinds of plant, machinery apparatus, tools, utensils, receptacles, substances, materials articles and thing necessary or convenient for carrying on any of the business or processors of the Company usually dealt in by persons engaged in the business or processes.
79. To undertake the custody of merchandise goods and materials, ware house and any office management accountancy, clerical or similar work.
80. To act as agents and brokers for sellers, buyers, exporters, importers, manufacturers, merchants, trade man, insurers and other generally to undertake and carry out agency work of any kind whatsoever and transact all manners of agency and commission business.
81. To act as stockiests, commission agents, manufacturer's representatives or agents, selling and purchasing agents, distributors, brokers, trustees, attorneys and transfer agents for any other company, firm, corporation or person.
82. To carry on business as architects, engineers, surveyors and consultants for work of any advancery kind, exterior and interior decorators, property and holiday resorts, developers and provide amusements park thereof.
83. To carry on the business of investment and finance Company and to acquire any such shares, stock, debentures, debenture-stock, bonds, obligations or securities by original subscription, tender, purchase, exchange of otherwise, and to subscribe for the same, either conditionally or otherwise, and to guarantee the subscription thereof, and to exercise and enforce all rights and powers conferred by or incidental to the ownership thereof.
84. To carry on the business of warehouseman, removers, packers, haulars, transport, cartage and haulage contractors and agents, storekeepers and general providers, carriers, custom agents, forwarding transport and commission agents, wharfingers cargo superintendents, and to receive valuable and goods and materials on deposit for safe custody and to lend of give guarantee on the security thereof.
85. To carry on the business of importers and manufacturers of and sellers in synthetic resins, plastic articles, cement.
86. To erect, maintain, alter, extend and purchase, plant and machinery for the purpose of combing, weaving, manufacturing, pharmaceutical / chemical processing, dyeing, printing of otherwise carrying on the business of the Company.
87. To purchase sell or contract for purchase or sale for immediate or future delivery and either for cash or on credit, of silks, hemp, flax, jute, yarn and clothes of various fibres and other fibrous articles, and all stores and materials chemicals and things necessary or useful for ginning, preparing, combing, spinning, weaving, manufacturing, process purposes, dyeing, mercerising, printing and bleaching purpose.
88. To sell or dispose off the machinery, fibres materials and all other products of the Company and either for cash or credit and either for immediate or future delivery and to send the same for sale to any place that may be deemed expedient.
89. To carry on business as market, research, consultants, business transfer agents, valuers and estate agents, and to act as intermediaries in the introduction of sellers, purchaser, partners and employees.
90. To act as registrar, issue house, transfer agent and liaison officers and generally to act as agents or representative and to undertake accountancy, clerical or similar works or administrative services and to carry on business as business center and providing all requisite services thereto.
91. To provide training, consultancy in the areas of Computer software, software packages, computer hardwares.
92. To carry on business of buyers, sellers, importers, exporters, factors, assemblers, designers, hirers, brokers, agents, packers, distributors, dealers in computers, computing systems software material instrumentations.
93. To carry on business of manufacturers, assemblers, designers, dealers of computer, printers, readers, magnetic or otherwise, CRT terminals and display systems, computer systems and allied electronic components and accessories, calculators, cash registers, accounting machine, testing machinery, testing equipments, all kinds of semi-conductor devices, electronic instruments for general and process controls, printed circuit boards.
94. To develop, purchases, sell, lease or otherwise deal in computer software, including programmes, applications, systems data collection and other facilities relating to computer operations and data processing equipments.
95. To carry on all or any of the business of dealers in electrical computer hardware and software peripherals, accessories components and consultants/contractors/agents providing skilled manpower and service therewith.
96. To carry on the business of leasing, hiring, selling letting hire purchase, hire purchase financing and to acquire, provide on lease or on hire purchase or deferred payment or on other similar basis all types of plant and machineries industrial and office equipment appliances furniture and fixtures, vehicles, and building, warehousing cold storage

real estate, movable and immovable properties, ships, barges, dredgers, offshore, equipments and all other assets including air-crafts, computers and items required for manufacturing, processing, construction, fire fighting, ware and treatment, pollution, environment control, medical, energy saving, commercial, trading and for other activities and to provide a leasing and other advisory / counselling services to other entities.

97. To carry on the business as investment Company and to subscribe buy, sell, underwrite and to acquire and held and deal in shares, debentures, convertible debentures, bonds or other obligations securities of any kind issued or guaranteed by any Company constituted or carrying on any business in India or elsewhere and debentures, convertible debentures, bonds, obligations and securities issued or guaranteed by any Government, Municipal, Local Authority, or otherwise firm or persons whether in India or elsewhere.
98. To carry on business as assessors, appraisors, surveyors, actuaries, valuers and brokers in respects of all classes of property both real and personal, and to take stock and property inventories.
99. To undertake and carry on any of the trades or business of air transport, shippers, ship owners, ship brokers, ship repairers, shipping agents, dry dockers, and insurances brokers, underwriters, ship managers, tug owners, shipping agents, loading brokers, freight contractors, carriers by land, water transport and generally contractors, barge owners, lightermen, forwarding agents, dock owners, engineers, ice merchants, refrigerators, store keeper, ships husbands, stevedores, ware housemen, wharfingers, salvors, ship builders and ship repairers, manufacturers of and dealers in machinery; engines, nautical instruments and ships rigging, gear, fittings and equipments of every description generally to carry on the said business either as principals or agents on commission or otherwise.
100. To establish maintain and operate air, shipping, road transport services (public and private) and all ancillary services and for this purpose as independent undertakings to purchase, take in exchange, charter, hire, build, construct or otherwise acquire, and to own, manage and trade with steam sailing motor aircraft and other ships, trawlers, barges, drifters, tugs and vessels, motor and other vehicles, with all necessary and convenient equipment, engines, tackle gear, furniture and stores or in shares, or interest in ships, vessels, motor and other vehicles or to maintain, repair, fit or relief, improve insure, alter, sell, exchange or let out on hire or hire purchase or charter or otherwise deal with or dispose off any of the ships, vessels and vehicles, shares, stocks and securities or any of the engines tackle gear, furniture, equipment and stores.
101. To carry on the trade or business of ironmasters, iron-founders, iron-workers, iron-managers, brass founders, metallurgists, machinist, steel makers, refiners and rollers, blast furnace proprietors, metal and alloy makers, refiners and workers, colliery proprietors, coke manufacturers, timber merchants, joiners and wood workers and as manufacturers, refiners, processors of and dealers in, aluminium, tin, ferro manganese, all types of alloys and ferrous or nonferrous metals and their by products and their subsidiary and ancillary products and by products and to buy, import, and export, manufacture, fabricate, repair, convert, alter, let on hire and deal in plant, and equipments, of whatsoever descriptions and materials and rolling stock, locomotives, wagons, carriages, boilers, turbiners, engines, ball and roller bearings, telephonic apparatus, dynamos, motors, lamps, meters, batteries, pumps, accumulators, transformers, compressors, cylinders, laboratory equipments and other apparatus and metal goods and generally as machinists, refiners, spinners, turners, polishers, metal workers, dye-castors and sinkers, oxydisers, bronzers, enamellers, galvanisers, japanners, annealers, platters and painters.
102. To carry on the business of architects, designers, draughtsmen, surveyors, valuers, consultants, experts in consultancy services, engineers, constructional engineers, aeronautical engineers, marine engineers, electrical engineers, oil/fuel engineers, mining and metallurgical engineers and engineering of every type and description including the business of builders and contractors.
103. To carry on in all the respective branches or any of them, the business of builders, masonry and general construction contractors and to construct, execute, carry out, equip, improve, work and advertise railways, roadways, tramways, docks, harbours, wharvers, canals, water course, reservoirs, embankments, irrigations, reclamations, sewage, drainage and other sanitary works, waters, gas, electric and other supply works, houses, buildings, and erection of every kind and to carry on the business of an electric supply Company in all its branches.
104. To carry on the business of warehousemen, removers, packers, haulers, transport, cartage and haulage contractors and agents distributors, storekeepers, and general providers, carriers, custom agents, clearing, forwarding transport and commission agents, wharfingers, cargo superintendents, jobmasters, mucadams.
105. To carry on the business as manufacturers of and dealers, and workers in timber, hardware, steel, iron metal, terracotta cement of any kind, lime bricks, marbles, tiles, pipes, sanitary and household fittings, builders and decoratives, plants, materials, (including packing material) and requisites and fittings and furniture of every description.
106. To carry on the business as manufacturers, producers, importers and exporters of and dealers in, granules, chemicals, fertilizers, whether mixed or granulated, manurers, pesticides, insecticides, disinfectants, dyes and dyestuffs, compounds, oils, acetylene, acids, alkalies, glues, gum, plaster, paints, medicative ointments, greases whether cream-oriented or grease-oriented, slaver, essences, lotions, extracts, perfumes, cosmetics, soaps, aerosol provisions and stores.

107. To carry on the trades or business as manufacturers of and dealers in explosives, ammunition, fire-works, and other explosive products and accessories of all kinds and of whatever, composition and whether for sporting, mining of industrial purposes or for pyrotechnical display or for any other purpose.
108. To carry on the business of manufacturing, acquiring, selling, distributing or otherwise dealing in plastic, plasticides, PVC rexins, solutions, cellulose and celluloid substances, synthetic products and substances and their products and compounds of any description and the kind.
109. To carry on all or any of the business of printers, stationers, lithographers, type founders, stenotypers, electrotypers, photographic printers, photo lithographers, chrome lithographers, photographers, engravers, die sinkers, book binders, advertising agents.
110. To purchase, take on lease or otherwise acquire, any mines, mining rights and metelliferrous lands and any interest therein, and to explore, work, exercises, develop and turn to account the same.
111. To crush, win, get, quarry, smelt, calcine, refine, dress, amalgamate, manipulate and prepare for market ore and mineral substances of all kinds, and to carry on any metallurgical operations which may seem conducive.
112. To buy, sell, manufacture and deal in minerals, plants, machinery, implements, provisions, and things capable of being used in connection with metallurgical operations.
113. To purchase take on lease, or otherwise acquire, (either with or without surface) coal, mines, iron ore, mines and other mines, mining ground and minerals and any mining rights, grants concessions and easements and any lands, and hereditaments or other property necessary or convenient for the advantageous possession and use of the mines or work for the time being owed or worked or by the Company, or to take interest therein respectively, and to search for, make merchantable and sell and dispose off coal, iron and other ores, metals and minerals and substances of the earth whatsoever.
114. To carry on all or any of the business of prospecting, exploring, mining winning, importing, exporting, dealing, processing, buying, selling and distributing and generally dealing in earth and ores of all kinds, including iron ore, ferro manganese, chinaclay, quartz, silca, abrasive minerals, aquamarine, asbestos, barium minerals, bauxite flourspare and others.
115. To carry on the business as manufactures, importers, exporters, assemblers, distributors, of and dealers in saw machines cross cut circular and other saw benches, horizontal and vertical band resaws, automatic hand saw sharpeners, universal wood working machines, automatic thicknessing and planning machines, lathes saw, sharpeners, saw benches, hollow chisel mortiser, log band mills, patterns, millers, portable electric wood plainers and accessories of all kinds used in the manufacturer, installation, erection, repair, maintenance and working thereof in connection therewith in any manner whatsoever.
116. To carry on the business as manufacturers of and dealers in machines, tools and implements required for processing and grinding camera lenses, optical lenses, for electrical and electronic equipment plant, equipment and furnaces required for the manufacture and processing of optical glass and articles made of glass.
117. To buy, sell, let on hire, repair, alter and deal in machinery components, parts, accessories and fittings or all kinds for motors or used in or capable of being used in connection with the manufacture, maintenance and working thereof.
118. To carry on the business of a waterworks company in all its branches, and to sink well and shafts and to make build and construct, lay down, and maintain dams, reservoir, water works, cisterns, culverts, fitter beds, mains and other pipes and appliances and to execute and things necessary or convenient for obtaining, storing, selling, delivery, measuring, distributing and dealing in water.
119. To carry out the business of telephone, teleprint, telecommunication, television, telegraph and electric light, heat and power supply Company and in particular to establish, work, manage, control and regulate telephone exchanges and work for the supply of electric light, heat and motive powers to transmit and facilitate the transmission of telephonic and telegraphic communications, and messages, and to undertake the lighting of town, building, streets, and other places and the supply of electric light heat and motor power for public or private purposes and to carry on as manufacturers in a telecommunication EPBX and communication system.
120. To carry on the business as manufacturers of and dealers in paper pulp, glass substitute of any description and kind, bricks/pottery, terracotta, ceramics and sanitary disinfecting preparations, coke, coal, cement of any other type and artificial stones and to carry on business as quarry masters, and stone merchants.
121. To carry on the business of water proofers and manufacturers of India rubber, leather, imitation leather, leather cloth, plastic oil cloth, linoleum, tarpaulins, hospital sheets and surgical bandages.
122. Subjects to the provisions of law to carry on the business of running the hotel, restaurant, flights kitchen, café, tavern beer house, refreshment room and lodging, house keepers, theatrical agents, box office keepers, concept room proprietors, dramatic and musical publications and printers, license victuallers, wine, beer and spirit merchants,

brewers, masters, distillers, importers, and manufacturers of aerated, mineral and artificial water and other drinks, surveyors, caterers for public amusements generally coach-cab and carriage and motor proprietors, lively stable keepers, coach and motor repairers, garage owners, and proprietors, job masters, farmers, dairyman, poulterers, ice merchants, importers and brokers of food, live and dead stock, and colonial and foreign produce of all descriptions, hairdressers perfumers, chemists, proprietors of clubs, bath, dressing rooms, libraries, grounds and instructions of all kinds tobacco and cigar merchants, agents for railway and shipping companies and carriers, theatrical and opera box office proprietors, enterprising and general agents.

123. To carry on business as wood and timber merchants and manufacturers of and dealers in wood, woodblocks for flooring and other purposes boxes, windows, doors wood heels and soles, wood letters, wood pulp, wood wool, ply-wood, masts spare, derricks, sleepers, tool handles, paneling woodwork, furniture, blocks and wood-workers materials and suppliers of equipment of all description.
124. To carry on the business of manufacturers of and dealers in typewriting and other carbons, ribbons, inks, papers stamp pads, typewriting machines, typewriting parts, accessories, requisites and equipments of all kinds, duplicating addressing, calculating, cheque writing and other machines and appliances, required or used for factory, offices laboratories or otherwise and other shops and office requisites, furniture fittings, appliances and equipments.
125. To carry on business as proprietors and publishers of newspapers, journals, magazines, books and other literary works and undertakings.
126. To buy, sell, manufacture, repair, improve, exchange, let out on hire import, export and deal in all factories, works, plants, machinery, tools, utensiles, appliances, apparatus, products, materials, substances articles and things.
127. To carry on the business as auctioneers, land, and estate agents and rent collectors, average adjusters, yacht agents land brokers, appraisers, assessors, surveyors, brokers, and valuers, and finance brokers in respect of all classes of property both real and personal to take, stock and prepare inventories, to purchase sell or otherwise deal in real and personal property and to build upon exploit and develop any land owned by the Company from time to time, construct own, manage and let auction room, to finance builders and to take part in development and exploitation of any kind of property to undertake estate business, work on transaction usually undertaken by auctioneers, estate agents valuers or which might advantageously be carried on by them.
128. To carry on the business of mechanical engineers and manufacturers of machinery, tool- makers, brass founders, metal workers, boiler makers, smiths, wood-workers, builders metallurgists, water supply engineers, gas makers, carriers and merchants, and to buy and sell, manufacture, repair, convert, alter, let on hire and deal in machinery implements, rolling stock and hardware of all kinds.
129. To carry on all or any of the following business namely cottoners and doublers, flax, hemp and jute and wool merchants, makers of vitriol, bleaching and dyeing materials and chemicals, and to grow, prepare, process, manufacture, purchase, comb, spin, knit, dye and deal in flex, hemp, wool, cotton, silk and other fibres synthetic or otherwise and fibrous substances.
130. To carry on the business as manufacturers, importers and exporters of and dealers in leather, chamois leather-cloth hides, skins, shagreen, artificial leather, rubber, silk cloth, linoleum, leather cloth; leggings, linings, gloves, purses, boxes, trunks, suit cases, attache cases, traveling cases, portament, fancy goods, bags, saldlery, boots and shoes, hoses, washers, belting and goods from all or any of the aforesaid materials and generally to carry on business as tanners, carriers, leather dressors, harness makers, whipmakers, glliders, cleaners, dyers, revivers, wholesalers and furniture makers.
131. To carry on business as insurance brokers or iron founders and manufacturers of agricultural implements and other machinery toolmakers, brass founders, metal workers, boiler makers, millwright, machinists, iron and steel makers and converters, smiths, wood-workers, builders, painters, metallurgists, water supply engineers.
132. To carry on the business of manufacturers of universal tools cutters, printing machines, belt standing machines, gauges, and service tools and to undertake service jobs of other firms or bodies corporate.
133. To carry on the business as manufacturer of dyes and colours, chemicals and manures, fertilizers, distillers, dye-makers and chemicals engineers.
134. To carry on the business as manufacturers and dealers in radios, television sets, radio receiving and transmitting sets and their components, parts, wireless apparatus and appliances and radio and other materials, goods machinery and requisites.
135. To carry on the business as house, land and estate agents and to arrange or undertake the sale purchase or advertise for sale or purchase, assist in selling or purchasing and find or introduce, purchasers, or vendors of and to manage land, building and other property, whether belonging to the Company or not and to let any portion of any premises for residential, trade or business purposes or other private or public purposes, and to collect rents and income and to supply to tenants and occupants and others, refreshments clubs, public halls, messengers, lights, waiting rooms,

reading rooms, conferences rooms, meeting rooms, lavatories, sundry convenience, electric conveniences, garages and other advantages.

136. To carry on the business as manufacturers of and dealers in cosmetics, paints in the forms of aerosol, to undertake production of raw materials and components such as propellants, valves, containers, bottles, required for manufacturers of aerosol to undertake such ancillary activities or to procure from market, services for plastic coating of bottles, printing of bottles required for manufacturer of aerosol.
137. To carry on business as manufacturers of and dealers in hires, repairs, cleaners, stores, warehouses of motor cars, motor cycles, cycle cars, motors, scooters, cycle, bicycles, and carriages, launches, boats and vans and other conveyance of all descriptions (all hereinafter comprised in the terms motor) whether propelled or assisted by means of petrol, spirit, steam, gas, electrical, animal or other power, and of engines, chassis, bodies and/or in or in connection with manufacturing assembling motors or in the construction of any truck.
138. Subject to the provisions of law, to carry on the business as manufacturer of and Traders, Commission Agents, Importers, Exporters, Wine and Provision Merchants, Brokers, Manufacturers, Representatives, Contractors, carriers, Ship owners, Chatterers of ships or other vessels, Ware Houseman, Ship and Insurance Brokers. Forwarding Agents, in India or otherwise.
139. To carry on the business and to act as Merchants, hold and end work any lands producing rubber trees, or suitable for the planting cultivation and growth of rubber and privileges over any such lands.
140. To manufacture purchase, sell take or lease, import, export or otherwise acquire dealers in anatomical, orthopedic and surgical appliances of all kinds.
141. To carry on the business of bookmakers, waymakers, corset makers, artificial eye and limb makers, bandage makers, crutch chair and stretcher makers, carriage makers, ambulance makers, chemists and druggists, providers of all requisites for hospitals, patients and invalids.
142. To cultivate tea, coffee, cinchona, rubber and to carry on the business of tea planters in all its branches, to carry on the business of cultivator, winners and buyers of every kind of vegetables, mineral to prepare, manufacture and deal in any such produce either in its prepared, manufactured or raw state and either by wholesale or retail.
143. To construct a cinematograph theatre and other buildings and works convenient for the purposes thereof and to manage, maintain and carry on the said theatre and other building when so erected or constructed.
144. To carry on the business of proprietors and managers of theatres (cinema, picture place and concert-halls) and to provide for the production, representation and performance (whether by mechanical means or otherwise) operas, stage plays, operettas, burlesques, vaudeville revues, ballets, pantomimes, spectacular pieces, promenades and other concerts and other musical and dramatic performance and entertainments.
145. To carry on the business of manufacturers of and dealers in tobacco, cigar, cigarettes, matchlights, pipes, required by or which may be convenient to smokers, and of snuffgrinders and merchants and box merchants.
146. To construct, carry out, maintain, improve, manage, work, control and superintend any roads, way, tramways, railways, bridges, reservoirs, water courses, aquaducts, wharves, furnaces whether electric or otherwise, saw mills, crushing works, hydraulic works, electrical works, factories, shops convenience.
147. To carry on in any of the respective branches all or any of the business of quarry proprietors, stone and granite merchants, dealers and exporters and contractors and to search for, get, win, raise, make marketable, use and dispose or granites, stone coal, minerals and minerals substances, products and to prepare and manufacturer cement of any type, paving blocks, tar, mucaddam, bituminous road materials and things.
148. To carry on the business as colliery and mine proprietors, all merchants, engineers, electricians, metallurgists, metals merchants, machinery merchants, joiners and wood workers, wood and timber merchants, coal of any type, coke and fuel merchants, manufacturing chemists, quarry owners and stone, sand, gravel, lime, cement and fertilizers manufacturers and glass manufacturers bricks and tile makers, pottery proprietors, metallic residue and by-products dealers and hardware dealers.
149. To carry on any business relating to the winning and working of minerals, the production, manufacture and preparation of which may be usefully or conveniently combines with the engineering or manufacturing business.
150. To purchase, take on lease exchange or otherwise any land or agriculture, horticulture or otherwise and to sell, give on lease exchange or otherwise, and land to carry on the business as agriculturists and horticulturists.
151. To purchase any agricultural, horticultural produces for resale, prepare for the market, to mix, in tin, pack or otherwise and to sell any agricultural products.
152. To carry on all or any of the business of dairymen and as dealers in any product of dairy farm and garden products of all kinds cheese, butter and other milk products, manufacturers and as merchants and confectioners and to sell,

import, export, prepare deal and trade in milk, condensed milk, cream, butter, casein, cheese, sugar commodities, article and things.

153. To plant, grow, cultivate, produce and raise, purchase, self, repurchase, resell, deal in or turn to account of otherwise dispose off or crush oilseeds, grains, food products, coconuts, and all over plants, grass, trees, crops and nature products of any kind whatsoever or otherwise to cultivate any land of the Company.
154. To carry on the business of manufacturers of and dealers in cloth, leather, paper and substances proofing in all its branches and to buy, sell, manufacture and deal in cloth, papers materials, substances, stores, articles, chattels and effects of all kinds as might be required for carrying out of such business and/or business of proofing against water or other liquid fluid, bombs, gases, explosive and gunpowder materials, or every description, introglycerine, dynamite, blasting powder or substances or things used for destruction in war or which shall be proof against enemy action and all materials, substances and things required for a incidental to such business as aforesaid.
155. To act as stockists, commission, agents, manufacturers representatives or agents, selling and purchasing agents, distributors, brokers, trustees, attorneys and administrators.
156. To carry on business as importers, exporters, buyers and sellers of and merchants and dealers in and merchandise goods, materials and machinery of all kinds, spare parts accessories and equipments.
157. To aid, assist, inintimate, promote, organize and finance units and agencies in the field of agricultural, carrying on business of manufacturing, producing, distributing and selling of agricultural services and inputs, including seeds, fertilizer, plant protection materials, machinery, irrigation, serial spraying, crop insurance to cultivators and co-operative farming societies.
158. To promote, aid, assist, or undertake the development of agricultural market, slaughter houses, and other facilities required for the marketing of agriculture produce.
159. To lot up, and carry on the business of manufacturing, refining, preparing, raising, acquiring, buying, selling, importing exporting, distributing and dealing in any and all kinds of classes of fertilizers, including ammonia, urea,. organic and inorganic chemicals, seeds, melamines, coal and other dyes and intermediate materials for the same, derivatives and compounds thereof formulation and other chemicals or industrial preparation arising from or required in manufacture thereof.
160. To carry on the business in agricultural production and to produce, acquire use and employ any land in agricultural, horticultural or pastoral uses and to carry on the business of general farmers, orchandists, pastoralists and growers of produce of any description for which the lands may from time to time be found to be most adoptable or suitable.
161. To carry on the business of marketing, processing, standardization, grading, sorting, packing, breeding, investigations, market research, storing, warehousing, cold storage, distributing, transporting, converting maintaining and rendering assistance and service of all and every kind of and any description including buying, selling, exchanging, altering, improving, producing, manufacturing and dealing in agricultural produce, agricultural operations and agricultural inputs including fertillisers, manures, plant protection materials, machinery and irrigation.
162. To carry on and deal in the business as agents or general representatives of stockists or distributors agricultural implements, tools, pumps, drilling equipments, casting tubes, manures, seeds, fertilizers, pesticides, agricultural chemicals, fumigants, insecticides, weedicides, plant protection equipments, cold storage and refrigeration equipments and other agricultural services and inputs.
163. To provide irrigation service to farmers and cooperative farms and for providing irrigation, to sink wells, shafts, construct dams, bandhs, culverts, clastems, reservoirs and filter-beds and to provide main and other pipes and appliance and to execute acts, and things necessary for obtaining, storing, supplying, measuring and dealing in water for the purpose of providing irrigation facilities to agricultural sector.
164. To carry on the business as wholesalers, traders, retailers, merchants, importers, exporters, dealers, packers, sellers, and distributors of all or in any of the product dealt with by the Company here in above including fibres, yarns, thread cloth, knitted garments and fabrics.
165. To receive moneys, securities and valuable of all kinds for deposit or for the also custody and generally to carry on the business of safe deposit company.
166. To carry on the business as customers cloth manufactures, glovers, batters, dyers, dryers, cleaners, washers, bleachers, printers, drappers.
167. To carry on the business of manufacturing and dealing in boxes, containers and all other types of packaging including wrappings made out of all types of plastics, polythene, paper and corrugated sheets, aluminum foils, leather thermo coal, fibre and fibre boards, jute, cold steel and all other types of materials and other articles required for industrial commercial and household and other types of packaging.

168. To carry on the business of manufacturing and dealing in Aluminum foils, nails, rivets, leather belts, fluxes, adhesive gum.
 169. To carry on the business of manufacturing and dealing in packaging materials like gutta, rubber, insulating asbestos percha, mica and their products, plastic in the form of sheets tubes, hosepipes (non-metallic).
 170. To carry on the business of capping and sealing of jars of all kinds of tubes, boxes, and cases wholly of all cold wood, metal, plastic or other substances, tins, cartons, compact cases, tools utencils, filling and packing the articles and products therein.
 171. To carry on the business of manufacturing processing, texturising, calendaring, buying, selling, commission agents, importing, exporting, distributing and dealing in Textiles, cotton, woolen synthetics blends, both with natural (viz vegetable and/or animal) and man-made and article fibres, polyester, polymade, acrylic polybylene, polynosic, polythene, polyacrylic or any other synthetic yarns and/or fibres.
 172. To manufacture ready made garments out of the fabrics materials or products manufactured by the company or by others.
 173. To finance the industrial enterprises by way of lending and advancing money, machinery, land, building, sheet as may be required by such industrial enterprises either with or without security and upon such terms and conditions as the Company deem lit and to guarantee any contracts entered into by any industrial enterprise with any financial Institutions banks or other parties for obtaining finance whether for its long term capital working capital or deferred payment financial and negotiate loans in any form or manner and also to give any guarantee for payment of moneys or performance of any obligation or undertaking and to assists/ finance trading and manufacturing activities business transactions and to act as financial consultants and advisors.
 174. To finance or assists in financing sale of houses buildings flats either furnished by similar transactions and to institute enter into, carry on subsidise, financing the sale and maintenance of any such houses, buildings, furnished or unfurnished and to act as property agents.
 175. To undertake or promote scientific research related to any business or class of business in which the Company is interested.
 176. To carry on the business of financing investment in estates and properties or any other interests in or relating to immovable properties.
 177. To carry on business to financiers and to undertake and carry on and execute all kinds of financial commercial, trading and other operations in which the Company is authorized to carry on business.
 178. To provide all types of Financial Services including raising and placement of funds, placement of securities advising on investment of funds, financial consultants.
 179. To act as managers of any investment trusts of funds including any provident funds, pension funds, gratuity superannuation funds, charitable funds and unit trusts or consortium to act as trustees for bonds holders, debenture holders.
 180. To buy, purchase, sell, lease, take on lease, exchange or otherwise acquire lands, buildings, flats and hereditaments of any tenure or description in India or elsewhere for residential, business, industrial or other purpose and rights easements, advantages and privileges, relating there to and either for resale or for trafficking in the same and to turn the same to account as may seem expedient, and to construct, alter, or improve, decorate, develop, furnish, and maintain offices, flats, houses, factories, warehouses, godowns, shops, buildings and other structures works and conveniences of all kinds on any of the lands or immovable properties purchased or acquired by the Company and to lease, sell, deal in or to otherwise dispose off the same.
 181. To hold, maintain and give right of occupancy or sell, allot houses, apartments, flats, sheds, shops, offices, godowns, premises or parts thereof to the shareholders, debenture holders and depositors or any other person on such terms and conditions as may be deemed fit by the Company.
 182. To acquire lands, buildings, flats, offices, factories, warehouses or any interest therein by purchase or on lease or on any other means and develop and sell land or construct buildings, flats, offices, warehouses, in installments, on ownership, lease, rental or otherwise in any manner.
 183. To purchases, sell or otherwise deal in real and personal property and to finance builders and to take part in development and exploitation of any kind of property, to undertake real estate business work or transaction usually undertaken by auctioneers, estate agents or valuers or which might advantageously be carried on by them.
- IV. The Liability of the Members is limited.

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

(Clause V of the Memorandum of Association was substituted with effect from 24th March, 2015, being the date of filing Form INC 28 with the Registrar of Companies regarding Amalgamation of Ranbaxy Laboratories Limited with Sun Pharmaceutical Industries Limited, pursuant to the Scheme of Arrangement between Ranbaxy Laboratories Limited and Sun Pharmaceutical Industries Limited as approved by the Hon'ble High Court of Gujarat at Ahmedabad vide its Order dated November 14, 2014 and amended orders dated November 28, 2014 and December 24, 2014 and the Hon'ble High Court of Punjab and Haryana at Chandigarh vide its Order dated March 9, 2015)

- VI. a. The balance sheet of M/s. SUN PHARMACEUTICAL INDUSTRIES as on 31st March, 1992 is annexed hereto (marked exhibit "B").
- b. All properties of the said firm, whether moveable or immovable, including actionable claims belonging to the said firm and all liabilities of the said firm, as on the closing of the business hours of the day preceding the date of issuance of incorporation certificate by Registrar of Company shall be vested in the Company pursuant to its registration in accordance with the provisions of part IX of the Companies Act, 1956.
- VII. No member shall be liable to pay calls or to contribute to an extent exceeding the amount for the time being unpaid or not credited as paid up on the shares held by him and on the registration of company the liabilities of the members shall be limited.
- VIII. The rules and regulations governing the Company from the date of its registration by the Registrar of Companies, Gujarat shall be as laid down in the Articles of Association as executed this day by the signatories to this Memorandum.
- IX. The Company shall undertake, pay, observe, satisfy and fulfill the agreements, arrangements and liabilities of the said firm entered in the name of the said firm in relation to the said business and assets brought in as aforesaid and indemnify them and their executors, estates and effects from and against all actions, proceedings, claims and demands in respect thereof.

We, the partners of the partnership firm M/s. SUN PHARMACEUTICAL INDUSTRIES joint stock Company within the meaning of Part IX of the Companies Act, 1956, whose names and addresses are given below being desirous to get our said joint stock Company registered under the Companies Act, 1956 for the purpose of continuing to carry on our activities but in pursuance of the Articles of Association we respectively confirm our share capital of the Company set opposite our respective names.

Name, Address, description and occupation of each Subscriber	Number of Equity Shares taken by each Subscriber	Signature of Subscribers	Name, address, description and occupation of Witness
DILIP SHANTILAL SHANGHVI S/o. SHRI SHANTILAL NAGARDAS SHANGHVI 902, Hira Panna, Apartments, Behind Alkapuri Arcade, Near Race Course Circle, Baroda – 390 007. Business	1,32,000 (One Lac Thirty Two Thousand)	Sd/-	
JAYANT SHANTILAL SHANGHVI S/o. SHRI SHANTILAL NAGARDAS SHANGHVI 902, Hira Panna Apartments, Behind Alkapuri Arcade, Near Race Course Circle, Baroda – 390 007. Business	46,000 (Forty Six Thousand)	Sd/-	
M/S. TEJASKIRAN PHARMACHEM INDUSTRIES PVT. LTD., F. P. 145, Ram Mandir Road, Vile Parle (E) Bombay – 400 057 Business Through SAILESH T. DESAI, Director	10,000 (Ten Thousand)	For TEJAS KIRAN PHARMACHEM INDUSTRIES PVT. LTD. Sd/- Director	
M/S. FAMILY INVESTMENT PVT. LTD. F.P. 145, Ram Mandir Road, Vile Parle (E), Bombay – 400 057. Business Through JAYESH N. SHANGHVI, Director	3,000 (Three Thousand)	FOR FAMILY INVESTMENT PVT. LTD. Sd/- Director	
M/S. QUALITY INVESTMENT PVT. LTD. F. P. 145, Ram Mandir Road, Vile Parle (E), Bombay – 400 057 Business Through JAYANT S. SHANGHVI, Director	3,000 (Three Thousand)	FOR QUALITY INVESTMENT PVT. LTD. Sd/- Director	
M/S. VIRTUOUS FINANCE PVT. LTD 8/35, Bhagwat Sadan Road, No. 14, Matunga, Bombay 400 019. Business Through SHANTILAL N. SHANGHVI, Director	3,000 (Three Thousand)	FOR VIRTUOUS FINANCE PVT. LTD Sd/- Director	
M/S. VIDITI INVESTMENT PVT. LTD. F.P. 145, Ram Mandir Road, Vile Parle (E), Bombay – 400 057 Business Through JAYESH N. SHANGHVI, Director	3,000 (Three Thousand)	FOR VIDITI INVESTMENT PVT. LTD. Sd/- Director	
TOTAL	2,00,000		

Sd/-
 (MAHESH SHAH)
 S/o SRI RAMESHCHANDRA C. SHAH
 SUN PHARMACEUTICAL INDUSTRIES
 SYNERGY HOUSE, GORWA ROAD, SUBHANPURA,
 BARODA - 390 007.
 Occupation: SERVICE

Place : VAPI

Date : 15.2.1993

EXHIBIT – “A”

TRUE COPY OF MINUTES OF THE MEETING OF THE PARTNERS OF M/s. SUN PHARMACEUTICAL INDUSTRIES HELD AT THE REGISTERED OFFICE AT SHED NO. C1/2710, III PHASE, GIDC, VAPI 396 195 (GUJARAT) on 15th October 1992, At 11.00 A.M.

PRESENT

1. SHRI DILIP SHANTILAL SHANGHVI
2. SHRI JAYANT SHANTILAL SHANGHVI
3. SHRI SAILESH T DESAI
Director of M/s. Tejaskiran Pharmachem Industries Pvt. Ltd.
4. SHRI JAYESH N. SHANGHVI
Director of M/s. Family Investment Pvt. Ltd.
5. SHRI JAYANT SHANTILAL SHANGHVI
Director of M/s. Quality Investment Pvt. Ltd.
6. SHRI SHANTILAL N. SHANGHVI
Director of M/s. Virtuous Finance Pvt. Ltd.
7. SHRI JAYESH N. SHANGHVI
Director of M/s. Viditi Investment Pvt. Ltd.

Shri Dilip Shantilal Shanghvi was voted as the Chairman of the meeting.

The chairman proposed that the firm M/s. Sun Pharmaceutical Industries, a joint stock company U/s 566 of the Companies Act, 1956 be registered as a public limited company under the provisions of Part IX of the Companies Act, 1956. The proposal was seconded by Shri. Jayant Shantilal Shanghvi. After discussion, the following resolution was unanimously passed.

“RESOLVED THAT the partnership firm M/s. Sun Pharmaceutical Industries, a joint stock company U/s 566 of the Company Act, 1956, be registered under the provisions of Part IX of the Companies Act, 1956 as a Public Company Limited by shares and Shri Dilip Shantilal Shanghvi and Shri Jayant Shantilal Shanghvi be and are hereby authorized to take all necessary steps in the regard.”

The meeting then terminated with a vote of thanks to the Chair.

Dated 15th October, 1992

Sd/- (JAYANT SHANTILAL SHANGHVI)

Sd/- (DILIP SHANTILAL SHANGHVI)

CHAIRMAN

EXHIBIT – “B”

BALANCE SHEET OF M/s. SUN PHARMACEUTICAL INDUSTRIES AS ON 31st MARCH 1992

PARTICULARS	Rs.	AMOUNT Rs.
I. SOURCES OF FUNDS		
A. PARTNERS FUND		
i. Permanent capital	20,00,000=00	
ii. Partners Current Account	4,25,07,224=29	
iii. Reserve & Surplus	7,48,909=12	4,52,56,133=41
B. LOAN FUNDS		
i. Secured Loans	3,43,52,279=41	
ii. Unsecured Loans	1,46,14,357=92	4,89,66,637=33
	TOTAL	9,42,22,770=74
II. APPLICATION OF FUNDS		
Fixed Assets		
Gross Block	4,78,32,939=04	
Less : Depreciation	33,64,009=04	4,44,68,930=00
CURRENT ASSETS, LOANS & ADVANCES		
Inventories	3,07,73,126=89	
Sundry Debtors	3,88,09,421=73	
Cash & Bank Balance	23,14,001=60	
Loans & Advances	1,86,91,731=05	
	9,05,88,281=07	
Less : Current Liabilities	4,08,34,440=33	4,97,53,840=74
	TOTAL	9,42,22,770=74

The following regulations comprised in these Articles of Association were adopted pursuant to members' resolution passed at the annual general meeting of the Company held on September 17, 2016 in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Articles of Association of the Company.

COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
SUN PHARMACEUTICAL INDUSTRIES LIMITED

PRELIMINARY

1. The regulations contained in Table F in Schedule I to the Act (as defined below), shall not apply to this Company, but the regulations for the management of the Company and regulations to be followed by the Members thereof and their representatives, shall subject to any exercise of the statutory powers of the Company in reference to the repeal or alteration of, or addition to, its regulations by resolution, as prescribed by the said Act (as defined below), be such as are contained in these Articles unless the same are repugnant or contrary to the provisions of the Act (as defined below). *Table F not to apply but Company to be governed by these Articles*

INTERPRETATION

2. In the interpretation of these Articles, the following words and expression shall have the following meanings, unless repugnant to the subject or context: *"Interpretation Clause"*
- (i) "Act" means the notified sections of the Companies Act, 2013 including the rules, regulations, circulars, notifications and orders made there under as amended, modified or re-enacted from time to time; (ii) such of the sections of the Companies Act 1956 which continue to be in force, and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles. *"Act"*
- "Alter" and "Alteration" shall include the making of additions, omissions, insertion, deletion and substitution. *"Alter"*
- "Articles" means these Articles of Association of Sun Pharmaceutical Industries Limited as altered from time to time. *"Articles"*
- "Beneficial Owner" shall mean and include a person or persons' as defined in clause (a) of sub-section (1) of section 2 of the Depositories Act. *"Beneficial Owner"*
- "The Board" or "The Board of Directors" means a meeting of the Directors duly called and constituted or, as the case may be, the Directors assembled at a Board or the requisite number of Directors entitled to pass a Circular Resolution in accordance with these Articles. *"The Board" or "The Board of Directors"*
- "The Company" or "This Company" means SUN PHARMACEUTICAL INDUSTRIES LIMITED. *"The Company" or "This Company"*
- "Depositories Act" shall mean and include the Depositories Act, 1996 and any statutory modifications or re-enactments thereof from time to time. *"Depositories Act"*
- "Depository" shall mean a Depository as defined under clause (e) of sub-section (1) of section 2 of the Depositories Act and includes a company registered under the Act, which has been granted a Certificate of Registration under sub section 1(A) of section 12 of the Securities and Exchange Board of India Act, 1992. *"Depository"*
- "Directors" means the Directors for the time being of the Company or as the case may be, the Directors assembled at a Board. *"Directors"*
- "Dividend" shall include any interim dividend. *"Dividend"*

<i>"Extraordinary General Meeting"</i>	"Extraordinary General Meeting" means an Extra- Ordinary General Meeting of the Members duly called and constituted and any adjournment thereof.
<i>"Gender"</i>	Words importing the masculine gender include the feminine gender.
<i>"Month"</i>	"Month" means a "Calendar Month".
<i>"Member"</i>	"Member" means the duly registered holder, from time to time, of the shares of the Company and includes the subscribers to the Memorandum and Articles of Association of the Company and shall include a shareholder and vice versa.
<i>"Meeting or General Meeting"</i>	"Meeting" or "General Meeting" means a meeting of Members.
<i>"Annual General Meeting"</i>	"Annual General Meeting" means a general meeting of the Members held in accordance with the provisions of Section 166 of the Act.
<i>"Office"</i>	"Office" means the Registered Office for the time being of the Company.
<i>"Proxy"</i>	"Proxy" includes an attorney duly constituted under a Power of Attorney.
<i>"Person"</i>	"Person" includes bodies corporate and companies as well as individuals.
<i>"Promoter"</i>	<p>"Promoter" means</p> <ol style="list-style-type: none"> 1. Shri Dilip S. Shanghvi 2. Shri Sudhir V. Valia <p>and such other persons as may be specified unanimously by the Promoters in writing to the Board.</p> <p>Provided that any Promoter may voluntarily cease to be a promoter by giving a notice in writing on this behalf to the Board.</p>
<i>"Register of Members"</i>	"Register of Members" means Register of Members to be kept in pursuance to the provisions of the Act.
<i>"Seal"</i>	"Seal" means the Common Seal for the time being of the Company.
<i>"Secretary"</i>	"Secretary" includes a temporary or Assistant Secretary or any individual possessing such qualifications, if any, prescribed for the time being under the Act and appointed by the Board of Directors to perform the duties which may be performed by the Secretary under the Act and any other ministerial and administrative duties.
<i>"Securities"</i>	"Securities" shall mean securities as defined under provisions of the Act.
<i>"Share"</i>	"Share" means share in the Share Capital of the Company and includes stock except where a distinction between stock and shares is expressed or implied.
<i>"Singular Number"</i>	Words importing the singular number include the plural number.
<i>"Year" and "Financial Year"</i>	"Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by the Act.
<i>"Marginal Notes"</i>	3. The "marginal notes" hereto shall not affect the construction hereof.

SHARE CAPITAL

<i>Authorised Capital</i>	4. The Authorised Share Capital of the Company shall be such amount as may be specified in Clause V of the Memorandum of Association of the Company, with power to classify or reclassify, increase or reduce such capital from time to time and power to divide the shares in the capital for the time in accordance with the Articles of the Company and the legislative provisions for the time being in force in this behalf and with the power to divide the share capital for the time being into several classes and to attach thereto respectively preferential, qualified or special rights, privileges or conditions including as to voting and to vary, modify, or abrogate the same in such manner as may be permitted by the Act or as may be provided from time to time by the Articles of the Company.
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5. Subject to the provisions of the Act and these Articles, the shares in the Capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such person in such proportion and on such terms and conditions and either at a premium or at par or at a discount and at such terms as they may from time to time think fit and proper, and with full power to give to any person the option to be allotted shares of the Company either at par or at a premium subject as aforesaid at a discount, such option being exercisable at such time and for such consideration as the Directors think fit. *Shares under the control of the Directors*
6. 1) The Company may issue any kind of shares including but not limited to the following: *Kinds of share capital and Securities*
- a. Equity share capital:
- i. with voting rights; and / or
- ii. with differential rights as to dividend, voting or otherwise in accordance with the Act; and
- b. Preference share capital
- 2) The Company may issue debentures or any other Securities as may be permissible by applicable laws.
- 3) The Company may convert any kind of securities into another kind of security in accordance with the provisions of the applicable laws.
7. Subject to the provisions of the Act and these Articles, the Directors may issue and allot shares in the Capital of the Company in payment or part payment for any property or assets of any kind whatsoever (including the good-will of any business) sold or transferred or goods or machinery or know-how supplied or for the services rendered to the Company either in or about the formation or the promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid up or partly paid-up otherwise than for cash, and if so issued shall be deemed to be fully paid up or partly paid up shares as aforesaid. The Directors shall cause returns to be filed of any such allotment as provided by the applicable provisions of the Act. *Directors may allot shares as fully paid-up or partly paid-up otherwise than for cash*
8. Except when required by any law and/or by the Act and/or ordered by the Court of competent jurisdiction, the Company shall not be bound to recognize any person as holding any share upon any trust and the Company shall not be bound by, or be compelled in any way to recognize (even when having noticed thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of the share, or (except only as by these Articles or as ordered by a Court of Competent Jurisdiction or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder. *Company not bound to recognize any interest in shares other than that of the registered holder*

BUY-BACK OF SHARES

9. Subject to and in accordance with all applicable provisions of the Act, the Company shall have power to purchase any of its own shares or other Securities whether or not they are redeemable and may make payment out of capital and other permissible resources in respect of such purchase. *Buy-back of Shares*

UNDERWRITING AND BROKERAGE

10. (1) The Company may exercise the powers of paying commission conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate or per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act. *Commission in connection with securities issued*
- (2) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Act.
- (3) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

CERTIFICATES

11. The certificates of title to shares may be executed and issued in accordance with the applicable provisions of the Act, or the rules made thereunder, as may be in force for the time being and from time to time. *Share Certificate*

Board's power to issue fractional certificate/coupon etc.

- 12(i) The Board shall have power—
- a) to make such provisions, by the issue of fractional certificates/ coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and
 - b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.
- 12 (ii)
- (a) Sell the shares represented by all such fractional parts for the best price reasonably obtainable.
 - (b) In the event of any shares being sold. In pursuance of clause (a) above, the directors shall pay and distribute to and amongst the persons entitled. In due proportion the net sale proceeds thereof.
 - (c) For the purpose of giving effect to any, such sale the directors may authorise any, person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and' he shall not be bound to see to the application of purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the same.

Right to refuse to issue share/ debenture certificate not in consonance with marketable lot

- 13 A The Directors may in their absolute discretion refuse sub-division of share/ debenture certificate where such sub-division will result in the issue of certificate for number of shares and/or debentures, which is less than the marketable lot unless the sub-division is required to be made to comply with a statutory provision or an order of a competent Court of law

Company to recognize interest in securities other than that of Registered holder under Depositories Act, 1996

- 13 B Either the Company or the Members may exercise in option to issue, deal in, hold the securities (including shares) with a depository in electronic form and the certificate in respect thereof shall be de-materialised, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto (including re-materialisation), shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification thereto or re-enactment thereof.

Limitation of time for issue of Certificates

14. Subject to the provisions of the Act or any other law or authority, the Company shall after the allotment of any of its securities, and after the application for the registration of the transfer of any such securities, deliver the certificates of all securities allotted or transferred within the respective time limit as prescribed under the Act or any other law or authority.

Issue of new Certificates in place of those defaced, lost or destroyed

15. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board.

Option to receive share certificate or hold shares with depository

16. A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialised state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.

17. The provisions of the foregoing Articles relating to issue of certificates shall mutatis mutandis apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company. *Provisions as to issue of certificates to apply mutatis mutandis to debentures, etc.*
18. The Board shall comply with requirements prescribed by any rules made pursuant to the said Act relating to the issue and execution of share certificates. *Directors to comply with rule*

CALLS

19. The Board of Directors may from time to time make calls upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the capital value of the shares or by way of premium) and which are not by the condition of the allotment, made payable at fixed times and each member shall pay the amount of every call so made on him to the persons and at the time appointed by Directors. A call may be made payable by instalments. The call may be revoked or postponed at the discretion of the Board. *Board may make calls*
20. Where any calls are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. For the purpose of this Article, share of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class. *Calls on shares of same class to be made on uniform basis*
21. At least fourteen days' notice of every call payable, otherwise than on allotment, shall be given specifying the time of payment, and if payable to any person other than the Company, the name of the persons to whom the call shall be paid, provided that before the time for payment of such call the Directors may, by notice in writing to the members, revoke the same. *Notice of calls*
22. A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by those members whose names appear on the Register of Members on such date, or at the discretion of the Directors on such subsequent date as shall be fixed by the Directors. *Call to date from Resolution*
23. The money (if any) which the Directors shall, on the allotment of any shares being made by them, require or direct to be paid by way of calls or otherwise in respect of any shares allotted by them shall, immediately on the insertion of the name of the allottee in the Register of Members as the holders of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly. *Calls to be paid immediately*
24. If by the conditions of allotment of any shares, the whole or the part of amount or issue price thereof shall be payable by instalments, every such instalments shall, when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representatives of a deceased shareholder. *Calls on Shares to be duly paid*
25. The Directors may, from time to time, at their discretion, extend the time for the payment of any call and may extend such time as to payment of call for any of the members who from residence at a distance or other cause, the Directors may deem fairly entitled to such extension; but no member shall be entitled to such extension save as a matter of grace and favour. *Directors may extend time*
26. If by the terms of issue of any share, any amounts are made payable at any fixed time or by instalments at fixed times (whether on account of the nominal amount of the share or by way of premium) every such amount or instalment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall relate to such amount or instalment accordingly. *Amount payable at fixed time or by instalments as calls*
27. If the sum payable in respect of any call or instalments be not paid on or before the day appointed for payment thereof. The holder for the time being or the allottee of the share(s) in respect of which a call shall have been made or the instalments shall be due shall pay interest on the same at such rate as the Directors shall fix from the day appointed for the payment thereof to the time of actual payment but the Directors may waive payment of such interest wholly or in part. *When interest on call or installment payable*

Judgment decree of partial payment not to preclude forfeiture

28. Neither a judgment nor a decree in favour of the Company for calls or other monies due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principle or interest or any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as hereinafter provided.

Proof on Trial in suit for money due on shares

29. Subject to the provisions of the Act and these Articles on the trial or hearing of any action or suit brought by the Company against any member or his legal representative for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares money is sought to be recovered is entered on the Register of Members as the holder of the shares in respect of which such money is sought to be recovered, that the resolution making the calls is duly recorded in the minutes book, and that notice of such calls was duly posted to the member or his representative in pursuance of these presents, and it shall not be necessary to prove the appointment of the Directors who made such call nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Payment in anticipation of calls may carry interest

30. The Board -

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the monies so paid by him until the same would, but for such payment, become presently payable by him.

Provisions as to calls to apply mutatis mutandis to debentures, etc.

31. The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities including debentures of the Company.

FORFEITURE, SURRENDER AND LIEN ON SHARES

If call or instalment not paid notice may be given

32. If any member fails to pay the whole or any part of any call or instalment or any money due in respect of any shares either by way of principal or interest on or before that day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or instalment or any part thereof or other money as aforesaid remains unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or instalment or such part thereof or other monies as remain unpaid together with any interest that may have accrued and all expenses (legal or otherwise) that may have been incurred by the Company by reason of such non-payment.

Terms of notice

33. The Notice shall name a day (not being less than 14 days from the date of the notice) on or before which and the place or places at which such call instalment or such part thereof and such other monies as aforesaid and such interest and expenses as aforesaid are to be paid, and if payable to any person other than the Company, the person to whom such payment is to be made. The notice shall also state that in the event of non-payment at or before the time and (if payable to any person other than the Company) at the place appointed, the shares in respect of which the call was made or instalment is payable will be liable to be forfeited.

Shares to be forfeited in default of payment

34. If the requirements of any such notice as aforesaid shall not be complied with, any of the shares in respect of which such notice has been given may, at any time thereafter but before payment of all calls or instalments, interest and expenses and other monies due in respect thereof be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

35. When any shares shall have been so forfeited, an entry of the forfeiture, with the date thereof, shall be made in the Register of Members and notice of the forfeiture shall be given to the Member in whose name they stood immediately prior to the forfeiture but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any entry as aforesaid. *Entry of forfeiture in Register of Members*
36. Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Board shall think fit. *Forfeited Shares to be property of the Company and may be sold etc*
37. The Directors may, at any time before any shares so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as they think fit. *Directors may annul forfeiture*
38. Any person whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, instalments, interest, expenses and other monies owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rates as the Directors may determine and the Directors may determine the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture but shall not be under any obligation to do so. *Shareholder still liable to pay money owing at the time of forfeiture and interest*
39. The forfeiture of a share involve the extinction, at the time of the forfeiture of all interest in and all claims and demands against the Company in respect of the shares forfeited and all other rights incidental to the share, except only such of those rights as by these presents are expressly saved. *Effect of forfeiture*
40. The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they may think fit. *Surrender of Shares*
41. The Company shall have a first and paramount lien upon all the shares (other than fully paid-up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all monies (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in any share shall be created except upon the footing and the condition that this Article will have full effect. Any such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as the waiver of the Company's lien, if any on such shares. The Directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause. *Company's lien on shares*
42. For the purpose of enforcing such lien, the Board of Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made unless the sum in respect of which the lien exists is presently payable and until notice in writing of the intention to sell shall have been served on such member, his executors or administrators or other legal representatives as the case may be, and default shall have been made by him or them in the payment of the sum payable as aforesaid for seven days after the date of such notice. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as aforesaid, the certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect and the Directors shall be authorised to issue a new certificate or certificates in lieu thereof to the purchaser or purchasers concerned. *As to enforcement of lien by sale*
43. (1) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. *Application of proceeds of sale*
- (2) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

- Outsider's lien not to affect Company's lien*
44. In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.
- Evidence of forfeiture*
45. A declaration in writing by Director or Secretary that the call in respect of a share was made and notice thereof given, and that default in payment of the call was made, and that the forfeiture of the share was made, by a resolution of the Directors to that effect shall be conclusive evidence of the facts stated therein as against all persons entitled to such share.
- Title of purchaser and allottee of forfeited shares sold in exercise of lien.*
46. Upon any sale after forfeiture or for enforcing a lien in the exercise of the powers herein before given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold and the Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed off may be registered as the holder of the share and he shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person.
- Cancellation of Share Certificate in respect of forfeited shares*
47. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall (unless the same shall on demand by the Company, have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect and the directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.
- Provisions as to forfeiture or lien of shares to apply mutatis mutandis to debentures, etc.*
48. The provisions of these Articles relating to forfeiture or lien shall mutatis mutandis apply to any other securities including debentures of the Company.

TRANSFER AND TRANSMISSION OF SHARES

- Form of Transfer*
49. The instrument of transfer of any shares shall be in writing and all the provisions of the Act, as applicable and of any statutory modifications thereof for the time being in force shall be duly complied with in respect of all transfer of shares and the registrations thereof.
- Instrument of transfer to be executed by the transferor and transferee*
50. Every such Instrument of transfer shall be signed by or on behalf of the transferor and by or on behalf of the transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of Members in respect thereof.
- Transfer not to be registered except on production of instrument of transfer*
51. In case of shares held in physical form, the Board may decline to recognise any instrument of transfer unless -
- (a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act;
 - (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
 - (c) the instrument of transfer is in respect of only one class of shares.

52. Subject to the provisions of Section 22A of the Securities Contracts (Regulation) Act, 1956, as in force from time to time and the relevant provisions of the Act, the Directors may at their absolute and uncontrolled discretion, decline to register or acknowledge any transfer of shares and shall not be bound to give any reason for such refusal and in particular may so decline in respect of shares upon which the Company has a lien of whilst any monies in respect of the shares desired to be transferred or any of them remain unpaid and such refusal shall not be affected by the fact that the proposed transferee is already a member. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with stated hereinabove. The registration of the transfer shall be conclusive evidence of the approval by the Directors of the transferee. *Directors may refuse to register transfer*
53. If the Company refuses to register the transfer of any share or transmission of any right therein the Company shall, within one month from the date on which the instrument of transfer or Intimation of transmission was lodged with the Company, send notice of refusal to the transferee and the transferor and to the person giving intimation of transmission, as the case may be, and thereupon the relevant provisions of the Act, or any statutory modification thereof for the time being in force shall apply. *Notice of refusal to be given to transferor and transferee*
54. (1) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares. *Title of shares of deceased holder*
- (2) Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
55. Subject to the provisions of the Act and these Articles, any person becoming entitled to a share in consequence of the death, lunacy or insolvency of any member, upon producing proper evidence of the grant of Probate Letters of Administration or Succession Certificate or such other evidence that he sustains the character in respect of which he purports to act under this Article or of his title to the Shares as the Board thinks sufficient may, with the consent of the Board (which it shall not be under any obligation to give), be registered as a member in respect of such shares, or may, subject to the regulations as to transfer hereinbefore contained, transfer such shares. This clause is herein referred to as a transmission clause. *Transmission Clause*
56. Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer for registration. *Refusal to register in case of transmission*
57. A person entitled to a share by transmission shall subject to the right of the Directors to retain such dividends or monies as hereinafter provided, be entitled to receive and may give a discharge for any dividends or other monies payable in respect of the shares. *Persons entitled may receive dividend without being registered as member*
58. Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless as indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity. *Board may require evidence*
59. The Company shall not charge any fee for registration of transfer or transmission in respect of shares of the Company. *No fee on transfer or transmission*

Company not liable for disregard of a notice prohibiting registration of transfer

60. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest (to or in such shares notwithstanding that the Company may have notice of such equitable right, title or interest) or may have received a notice prohibiting registration of such transfer and may have entered such notice as referred thereto in any book of the Company, and save as provided in the Act, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors so think fit.

Register of Transfers

61. The Company shall keep a book called the "Register of Transfer" and therein shall be fairly and distinctly entered the particulars of every transfer and transmission of any shares in the Company.

Provisions as to transfer and transmission to apply mutatis mutandis to debentures, etc.

62. The provisions of these Articles relating to transfer and transmission by operation of law shall mutatis mutandis apply to any other securities including debentures of the Company.

COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO THE MEMBERS

Copies of Memorandum and Articles of Association to be sent by the Company

63. Copies of the Memorandum and Articles of Association of the Company and other documents referred in provisions of the Act shall be sent by the Company to every member at his request on payment of the sum of Rs. 100/- (Rs. One Hundred Only) for each copy or such sum as may be prescribed by the Act.

CONVERSION OF SHARES INTO STOCK

Conversion of stock into shares and reconversion

64. The Company by ordinary resolution in General Meeting may-
- (a) Convert all or any fully paid-up shares into stock and
 - (b) Re-convert any stock into fully paid-up shares of any denomination.

Transfer of stock

65. The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulations under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit. Provided that, the Board may from time to time, fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of shares from which the stock arose.

Rights of Stock holders

66. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose but no such privilege or advantage (except as regards dividends, participation in the profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

Regulations to apply to stock

67. Such of the regulations of the Company (other than those relating to share warrants) as are applicable to paid-up shares shall apply to stock and the words "Share" and "Shareholders" in these regulations shall include stock and stockholder respectively.

INCREASE, REDUCTION AND ALTERATION OF CAPITAL

Power to alter share capital

68. Subject to the provisions of the Act, the Company may, by resolution in General Meeting -
- (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;

- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares:
- Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;
- (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
69. Where at any time it is proposed to increase the Share Capital of the Company, by allotment of further Shares, whether out of unissued Share Capital or out of increased Share Capital, then such further Shares may be offered *Further issue of Share Capital*
- (a) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or
- (b) to employees under a scheme of employees' stock option subject to special resolution passed by the Company and to such conditions as may be prescribed.
- (c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above subject to the provisions of the Act.
70. (1) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules. *Mode of further issue of shares*
- (2) Notwithstanding anything contained in these Articles, but subject, however, to section 62 of the Act, the Company may increase its subscribed Share Capital on exercise of an option attached to the Debentures issued or loans raised by the Company to convert such Debentures or loans into Shares, or to subscribe for Shares in the Company by passing resolution by the members.
71. Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act. *Issue of Redeemable Preference Shares*
72. The Company may subject to the provisions of the Act, from time to time by Resolution, as prescribed under the Act, reduce its share capital and/or any Capital Redemption Reserve Account or Securities Premium Account or any other capital reserve in any way authorized by law and in particular may pay off any paid up share capital upon the footing that it may be called again or otherwise and may, if and so far as is necessary, alter its Memorandum by reducing the amount of its share capital and of its shares accordingly. This Article is not to derogate from any power the Company would have if it were omitted. *Reduction of capital*
73. The right conferred upon the holders of shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking pari passu therewith. *Issue of further pari passu shares not to affect the rights of shares already issued*

MODIFICATION OF RIGHTS

Rights attached to any class of shares may be varied

74. If at any time the Share Capital is divided into different classes, the rights attached to any class of shares (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, be modified, commuted, affected, abrogated or varied (whether or not the Company is being wound up) with the consent in writing of such number of holders of the issued shares of that class or with the sanction of a resolution passed at a separate meeting of the holders of that class of shares, as may be prescribed by the Act and all the provisions hereinafter contained as to General Meeting shall mutatis mutandis apply to every such meeting.

JOINT-HOLDERS

Joint-holders of shares

75. Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint holders with benefits of survivorship subject to the following and other provisions in the Articles:
- a) The Company may be entitled to decline to register more than three persons as the joint holders of any shares.
 - b) The Joint Holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments, which ought to be made in respect of such share.
 - c) On the death of any such joint holder the survivor or survivors shall be the only person or persons recognised by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of deceased joint holder from any liability in respect of the shares held by him jointly with any other person.
 - d) Any one of such joint holders whose name stands first in the Register of Members may give effectual receipts for any dividends or other monies payable in respect of such share.
 - e) Only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents (which expression shall be deemed to include all relevant documents) from the company and any documents served on or sent to such person shall be deemed service on all the joint-holders.
 - f) Any one of two or more joint-holders may vote at any meeting either personally or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy then that one of such persons so present whose name stands first or higher (as the case may be) on the Register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint holders shall be entitled to be present at the meeting. Provided always that a joint holder present at any meeting personally shall be entitled to vote in preference to a joint holder present by proxy although the name of such joint holder present by proxy stands first or higher in the Register in respect of such shares. Several executors or administrators of a deceased member in whose (deceased member's) sole name any share stands shall for the purposes of this sub-clause be deemed joint-holders.

Provisions as to joint holders as to shares to apply mutatis mutandis to debentures, etc.

76. The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names.

BORROWING POWERS

77. Subject to the provision of the Act and these Articles and without prejudice to the other powers conferred by these Articles the Directors shall have the power to accept deposits from members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of moneys for the purposes of the Company provided that the total amount borrowed at any time together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not, without the consent of the Company in General Meeting, exceed the aggregate of the paid up share capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose. Such consent shall be obtained by resolution, which shall provide for the total amount up to which moneys may be borrowed by the Board. The expression "temporary loans" in this Article means loans repayable on demand or within six months from the date of the loans such as short term loans, cash credit arrangement, discounting of bills and the issue of other short - term loans of seasonable character but does not include loans raised for the purpose of financial expenditure of a capital nature. *Power to borrow*
78. If any uncalled capital of the Company is included in or charged by way of mortgage or other security by the Directors, the Directors shall, subject to the provisions of the Act and these Articles, make calls on the members in respect of such uncalled capital in trust for the persons in whose favour such mortgage or security is executed or, if permitted by the Act, may by instrument, authorize the person in whose favour such mortgage or security is executed or any other person in trust for him to receive monies on call from the members in respect of such uncalled capital and the provisions herein before contained in regard to calls shall mutatis mutandis apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Director's powers or otherwise and shall be assignable if expressed so to be. *Mortgage of uncalled capital*
79. Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability. *Indemnity may be given*

DEBENTURES

80. The Company shall have power to issue debentures whether convertible or non- convertible, and whether linked to issue of equity share or not, among members by exercising its power, as per applicable provisions of the Act. *Power to Issue debenture*

GENERAL MEETINGS

81. All General Meetings other than Annual General Meetings shall be called Extra-Ordinary General Meetings. *Extra Ordinary General Meeting*
82. The Board of Directors may call an Extraordinary General Meeting whenever they think fit. *Directors may call Extra Ordinary General Meetings*
- However if at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

PROCEEDING AT MEETINGS OF MEMBERS

83. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place. *Business of adjourned meetings*

- Chairman*
84. The Chairman of the Board of Director shall be entitled to take the Chair at every General Meeting if there is no Chairman. If at any meeting, he shall not be present within 15 minutes after the time appointed for holding such meeting or is unwilling to act, the Vice-Chairman, if any, or in the case of his absence or refusal, the Directors present may choose a Chairman, and in default of their doing so the members present shall choose one of the Directors to be the Chairman, and if no Director present be willing to take the Chair, the members present shall choose one of the Members to be the Chairman.
- Business confined to decision of Chairman whilst chair vacant*
85. (1) No business shall be discussed at any General Meeting except the election of Chairman whilst the chair is vacant.
- (2) If a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act and these Articles, the Chairman so elected on a show of hands shall exercise all the powers of the Chairman under the Act and these Articles.
- (3) If some other person is elected Chairman as a result of the poll, he shall be Chairman to the rest of the meeting.
- Chairman with consent may adjourn meeting*
86. The Chairman with the consent of any meeting at which a quorum is present, can adjourn any meeting from time to time and from place to place in the city or town or village where the registered office of the Company is situated.
- Notice to be given where a meeting is adjourned for thirty days or more*
87. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- Evidence of the passing of a resolution where poll not demanded*
88. At any General Meeting, a resolution put to the vote of the meeting shall, unless a poll is (before or on the declaration of the result on a show of hands) demanded be declared on a show of hands and unless a poll is so demanded a declaration by the Chairman that a resolution has been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.
- Scrutinizers at poll*
89. Where a poll is to be taken, the Chairman of the meeting shall appoint one or more scrutinizer(s) to scrutinize the votes given on the poll and to report, thereon to him. The Chairman shall have the power, at any time before the results of the poll is declared; to remove a scrutinizer from office and fill vacancies in the office of scrutinizer(s) arising from such removal or from any other cause.
- Demand for poll not to prevent transaction of other business*
90. The demand for a poll shall not prevent the continuance, of a meeting for transaction of any business other than the question on which the poll has been demanded.
- Chairman's casting vote*
91. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting, at which the show of hands has taken place, or at which the poll is demanded, shall be entitled to second or casting vote in addition to the vote or votes to which he may be entitled as a member.
- Inspection of Minutes Books of General Meeting*
92. The books containing the minutes of the proceedings of any general meeting of a company or of a resolution passed by postal ballot shall be kept at the Registered Office and be open, during business hours, to the inspection of any member without charge in accordance with the Act. Any member shall be entitled to be furnished, within the time prescribed after he had made a request in that behalf to the Company, with a copy of the minutes on payment of such sum as prescribed under the Act.
- Except if not permitted by the Act, a member shall provide a prior intimation in writing to the Company of at least four working days before such inspection.

93. There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting-
- Certain matters not to be included in Minutes*
- (a) is, or could reasonably be regarded, as defamatory of any person; or
- (b) is irrelevant or immaterial to the proceedings; or
- (c) is detrimental to the interests of the Company.
94. The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.
- Discretion of Chairperson in relation to Minutes*

VOTES OF MEMBERS

95. Subject to and if permitted under the provisions of the Act the Company may issue shares which do not carry voting rights or which have disproportionate voting rights as compared to other Equity/other Shares issued by the Company.
- Issue of non-voting share/shares with disproportionate voting rights*
96. Subject to the provisions of the Act:
- (a) On a show of hands, every holder of equity shares entitled to vote and present in person or by proxy shall have one vote and upon a poll every holder of equity shares entitled to vote and present in person or by proxy shall have one vote for every equity shares held by him.
- Votes of members*
- (b) every holder of a preference share in the capital of the Company shall be entitled to vote at a General Meeting of Company only in accordance with the limitations and provisions laid down in the Act;
- (c) A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.
97. Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Act to be transferred any shares may vote at any General Meeting in respect thereof as if he was the registered holder of such shares provided that at least forty eight hours before the time of holding of the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his right under the transmitted shares and gives such indemnity if any, as the Directors may require unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.
- Votes in respect of shares of deceased and insolvent members*
98. A member of unsound mind or and in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may, on poll, vote by proxy. If any Member be a minor, the vote in respect of his share or shares shall be by his guardian, or any one of his guardians, if more than one, to be selected in case of dispute by the Chairman of the Meeting.
- Voting by Member of unsound mind and minors*
99. Subject to the provisions of the Act, no member shall be entitled to be present or to vote at any General Meeting either personally or by proxy or be reckoned in a quorum whilst any call or other sums shall be due and payable to the Company in respect of any of the shares of such member.
- No member to vote unless calls are paid up*
100. On a poll being taken at a meeting of the Company, a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.
- Right of member to use his votes differently*

- Joint-holders voting* 101. Where there are joint registered holders of any shares, any one of such persons may vote at any meeting in respect of such shares, as if he were solely entitled thereto. If more than one of such joint holders be present at any Meeting then one of the said persons so present whose name stand first on the register in respect of such share shall alone be entitled to vote in respect thereof. Where there are several executors or administrators of a deceased member in whose sole name any shares stand, any one of such executors or administrators may vote in respect of such shares unless any other of such executors or administrators is present at the meeting at which such a vote is tendered and object to the votes in which case no such vote shall be exercised except with the unanimous consent of all the executors or administrators present.
- Instrument of proxy to be deposited at office* 102. The instrument of proxy shall be deposited at the Office of the Company not less than forty eight hours before the time of holding the meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid. No instrument appointing proxy shall be valid after the expiration of twelve months from the date of its execution except in the case of the adjournment of any meeting first held previously to the expiration of such time.
- Form of proxy* 103. An instrument appointing a proxy shall be in such form as may be prescribed by the Act from time to time.
- Validity of votes given by proxy notwithstanding death of member etc* 104. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or subsequent insanity of the Principal, or revocation of the proxy under which such proxy was, signed or the transfer of the shares in respect of which the vote is given provided that no intimation in writing of the death, insanity, revocation or transfer shall have been received at the office of the Company before the meeting.
- Objection to votes* 105. Subject to the provisions of the Act and these Articles, no objection shall be made to the validity of any vote except at the meeting or poll at which such Vote is tendered and every vote whether given personally or by proxy or by any means hereby authorized, and not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.
- Chairman of any meeting to Judge the validity of any vote* 106. Subject to the provisions of the Act and these Articles, the Chairman of any meeting shall be the sole judge of the validity of every vote tendered or given at such meeting and subject as aforesaid, the Chairman present at the time of taking of a poll shall be sole judge of the validity of every vote tendered at such poll.

DIRECTORS

107. Subject to the provisions of the Act, the number of Directors shall not be less than three, and not more than fifteen or such higher number as determined by the Company in General Meeting or as may be permitted by the Act. .

108. (a) Notwithstanding anything contained in these Articles so long as one or more persons specified ("Specified Persons") as defined in sub-article of this Article, whether singly or collectively in any combination whatsoever, hold not less than 15% of the subscribed Equity Share Capital of the Company. Shri Dilip Shantilal Shanghvi or any person nominated in this behalf by him, or failing him any other promoter shall be entitled to appoint in the aggregate such number of directors not exceeding one third of the total number of directors (or upto such number or proportion as may be permitted under the provisions of the Act) on the Board of Directors of the company and to remove any such Directors so appointed and to appoint another in his place or in place of any such Director who resigns or otherwise vacates such office. Such appointment/removal shall be effected by writing to the Board and shall take effect immediately upon such writing being delivered at the Registered Office/Corporate Office/Head Office of the Company. Any director so appointed shall not be liable to retire by rotation under the provisions of the Act at any general meeting of the Company and nor shall such Director be required to hold qualification shares if any. Provided however, that the number of Directors to be appointed in accordance with this Article shall be reduced by the number of Directors appointed under the rights conferred upon the public financial institutions under any statutory provisions or under any arrangement entered into and/or under any agreement with such public financial institutions to nominate a Director(s) on the Board of the Company.
- (b) For the purposes of this Article the following persons shall be the 'Specified Persons' referred to in sub-clause(a) above;
- (i) The Promoters;
 - (ii) The relatives of any one or more of the Promoters;
 - (iii) Any company or corporation or body incorporate in which not less than 15% of the subscribed equity share capital or capital or corpus whichever is less, is held whether singly or collectively, by one or more of the persons in clause (i) and (ii) above;
 - (iv) Any subsidiary or holding company or company which is under the same management of any company, corporation or body corporate specified in clause (iii) herein above;
 - (v) Any company, corporation or body corporate in which not less than 15% of the Equity share capital is held by any one or more companies, corporations or bodies Corporate specified in clause (iii) and (iv) whether by singly or together with one or more persons specified in clauses (i), (ii) (iii) and (iv) of this sub-article.
 - (vi) Any partnership or other firm, trust, association of persons, body of individuals or any other entity, whether incorporated or not, of which not less than 15% of the total profit or benefit accrues, arises or becomes due to the persons specified in clauses (i), (ii), (iii), (iv), and (v) of this sub-article whether singly or collectively.
- (c) The appointment or removal of Non-retiring Director under this Article shall be by a notice in writing addressed to the company and shall take effect forthwith upon such notice being received by the company.
- (d) The right to appoint Non-retiring Director conferred as above shall be exercisable so long as Promoter holds not less than 15% of the paid up equity share capital of the company for the time being.
109. The Company may agree with any financial Institution or any authority or person or State Government that in consideration of any loan or financial assistance of any kind whatsoever, which may be rendered by it to the Company, it shall till such time as the loan or financial assistance is outstanding have power to nominate one or more Directors on the Board of the Company and from time to time remove and reappoint such Directors and to fill in any vacancy caused by the death or resignation or such Directors otherwise ceasing to hold office. Such nominee Directors shall not be required to hold any qualification shares nor shall they be liable to retire by rotation. *Nominee Directors*

- Debenture Director*
110. Any Trust Deed for securing debentures or debenture-stock may if so arranged provide for the appointment from time to time by the Trustees thereof or by the holders, of the debentures or debenture stock of some person to be a Director of the Company and may empower such trustees or holders of debentures or debenture-stock from time to time to remove any Director so appointed. The Director appointed under this Article is herein, referred to as the 'Debenture Director' and the term 'Debenture Director' means the Director for the time being in office under this Article. The Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or, subject to the provisions of the Act, be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.
- Appointment of Alternate Directors*
111. The Board of Directors of the Company may appoint an Alternate Director to act for a Director (hereinafter called 'the Original Director') during his absence for a period of not less than three months from India and such appointee whilst holds office as an Alternate Director, shall be entitled to receive notice of meetings of the Directors and to attend and vote thereat accordingly. An Alternate Director appointed under this Article shall not hold office as such for a period longer than that permissible to the original Director in whose place he has been appointed and shall vacate office, if and when the Original Director returns to India. If the term or office of the Original Director is determined before he so returns to India as aforesaid, any provision in the Act or in these Articles for the automatic re-appointment of a retiring Director in default of any other appoint shall apply to the Original Director and not to Alternate Director. Such Alternate Director shall not be required to hold any qualification shares.
- Casual Vacancy*
112. Subject to the applicable provisions of the Act, any casual vacancy, occurring in the office of a Director before his term of office expires, may be filled up by the Directors at a meeting of the Board. Any person so appointed shall hold office only up to which the Director in whose place he is appointed would have held office, if the vacancy had not occurred.
- Appointment of Additional Director*
113. Subject to the provisions of the Act, the Directors shall have power at any time and from time to time, appoint a person or persons as Additional Director or Directors. Such Additional Director shall hold office only up to the date of the next Annual General Meeting of the Company, but shall be eligible for re-election at that meeting as a Director, provided that the number of Directors and the Additional Director together, shall not exceed the maximum strength fixed by the Board by these Articles.
- Qualification of Directors*
114. A Director of the Company shall not be bound to hold any qualification shares.
- Remuneration of Directors*
115. Subject to the provisions of the Act, the remuneration payable to the Directors of the Company shall be as hereinafter provided.
- (1) The fees payable to a Director for attending a meeting of the Board or a Committee of the Board or a General Meeting shall be decided by Board of Directors from time to time within the maximum limits of such fees that may be prescribed under the Act, or if not so prescribed, in such manner as the Directors may determine from time to time in conformity with the provisions of law. The Directors shall be paid such further remuneration if any, either on the basis of percentage of the net profits of the Company or otherwise, as the Company in General Meeting shall from time to time determine and such additional remuneration and further remuneration shall be divided amongst the Directors in such proportion and manner as the Board may from time to time determine, and in default of such determination shall be divided amongst the Directors equally.

- (2) The Board of Directors may in addition allow and pay to any Directors who is not a bonafide resident of the place where a meeting of the Board of Committee thereof or a general meeting of the Company is held, and who shall come to that place for the purpose of attending the meeting, such sum as the Board may consider fair compensation for his traveling, hotel, boarding, lodging and other expenses incurred in attending or returning from meeting of the Board of Directors, or any committee thereof or general meetings of the Company.
- (3) Subject to the limitations provided by the Act and this Article, if any Director shall be called upon to go or reside out of his usual place or residence on the company's business or otherwise perform extra service outside the scope of his ordinary duties, the Board may arrange for such Director for such special remuneration for such service either by way of salary, commission, or the payment of stated sum of money as they shall think fit, in addition to or in substitution of his remuneration above provided, and all the Directors shall be entitled to be paid or reimbursed or repaid any traveling, hotel and other expenses incurred or to be incurred in connection with the business of the Company and also to be reimbursed all fees for filing all documents which they may be required to file under the provisions of the Act.

116. The continuing Directors may act notwithstanding any vacancy in their body subject to the provisions of the Act, if the number falls below the minimum number above fixed and notwithstanding the absence of a quorum, the Directors may act for the purposes of filling up vacancies or for summoning a General Meeting of the Company.

Directors may act notwithstanding vacancy

117. A Director of the Company may be, or may become a director of any company promoted by the Company, or in which it may be interested as a vendor, member or otherwise and subject to the provision of the Act and these Articles, no such Director shall be accountable for any benefits received as a Director or member of such Company except in so far as required by the Act.

Directors may be Directors of Companies promoted by the Company

RETIREMENT AND ROTATION OF DIRECTORS

118. Subject to applicable provisions of the Act, all the Directors of the Company, other than non retiring Directors and the Managing Director or Managing Directors shall be liable to retire by rotation. However when the total number of non retiring Directors, inclusive of Managing Director/s and Nominee Directors exceeds one-third of the total number of Directors or number permissible under the provisions of the Act for non rotation of the Directors, as the case may be, the Board shall decide as to out of them whose period of office shall be liable to determination by retirement of Directors by rotation from time to time as and when situation arises.

Retirement by rotation of directors

At every Annual General Meeting of the Company, one third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or multiple of three, then the number nearest to one third, shall retire from office. The Managing Director, if any, and any Director appointed under Article 108 (a) shall not be subject to retirement under this Article.

The expression "Retiring Director" means a Director retiring by rotation.

119. The same individual may, at the same time, be appointed as the Chairman of the Company as well as the Managing Director or Chief Executive Officer of the Company.

Same individual may be Chairman and Managing Director/ Chief Executive Officer

120. Subject to the provisions of the Act and these Articles, a retiring Director shall be eligible for reappointment.

Eligibility for reappointment

121. The Company, subject to the provisions of the Act and these Articles may remove any Director before the expiry of his period of office.

Removal of Directors

MEETINGS OF DIRECTORS

122. The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit and in accordance with the Act.

Meeting of directors

When meeting to be convened and notice thereof

123. (1) Director or the Managing Director may at any time and the Secretary upon the request of a Director shall convene a meeting of the Directors. Notice of every meeting of the Directors of the Company shall be given as prescribed under the Act.
- (2) A Director can participate in the Board/ Committee meeting in person or through Video Conferencing or audio visual means or teleconferencing or such other mode as may be prescribed by the law.

Decisions of Questions

124. Questions arising at any meeting of the Board shall be decided by a majority of votes provided such majority shall include the affirmative vote of at least two non-retiring Directors, if any, appointed by Promoter under these Articles or of his alternate Director, if any, or of the Managing Director, if any, appointed by the Board pursuant to this Article. In the case of an equality of votes the Chairman shall have a second or casting vote. Provided that if any non-retiring Director or his alternate Director or the Managing Director aforesaid is unable to attend a meeting of the Board but addresses a written communication to the Board expressing his concurrence or approval to the passing of any particular resolution or resolutions by the Board, such communication shall for the purpose of this Article, be deemed to be his affirmative vote.

Directors may appoint committees

125. Subject to the provisions of the Act and these Articles, the Directors may delegate any of their powers to committee consisting of such member or members of their body, as they think fit and they may from time to time revoke and discharge any such committee either wholly or in part and either as to person or persons. Every committee so formed shall, in the exercise of the powers so delegated to it conform to any regulations that may from time to time be imposed on it by the Directors. All acts done by any such committee in conformity with such regulations and in fulfillment of the purpose of their appointment but not otherwise, shall have the like force and effect as if done by the Board. Subject to the provisions of the Act, the Board may from time to time fix the remuneration to be paid to any member or members of their body constituting a Committee appointed by the Board in terms of these Articles and may pay the same.

Meeting of committees how to be convened

126. The meetings and proceedings or any such committee consisting of two or more Directors shall be governed by the provisions herein contained in respect of the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.

Resolution by circulation

127. Save as otherwise expressly provided in the Act, a resolution in writing, signed or affirmed whether manually or by electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.

Act of Board or Committee valid notwithstanding defect in appointment

128. Subject to the provisions of the Act and these Articles, all acts done by any meeting of the Directors or by a Committee of Directors or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or person acting as aforesaid or that they or any of them were or was disqualified, or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, may be as valid as if every such person had been duly appointed and was qualified to be a Director. Provided that nothing in this Article shall be deemed to give validity to acts done by the Directors after their appointment had been shown to the Company to be invalid or to have terminated.

129. (1) Subject to the provisions of the Act and these Articles the Board of Directors of the Company shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do. Provided that the Board shall not exercise any power or do any act or thing which be directed or required whether by the Act or any other Act or by the Memorandum or those Articles or otherwise to be exercised or done by the Company in General Meeting. Provided further that in exercising any such act or thing the Board shall be, subject to the provisions contained in that behalf in the Act or in the Memorandum or in these Articles or in any regulations not inconsistent therewith duly made thereunder including regulations made by the Company in General Meeting.
- (2) No regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
130. Without prejudice to the powers conferred by these Articles and so as not in any way to limit or restrict these powers and without prejudice to the other power conferred by these Articles, but subject to the restrictions contained in these Articles it is hereby declared that the Director shall have the following powers that is to say power:
- (1) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of the Act.;
- (2) Subject to the provisions of the Act and these Articles to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at or for such price or consideration and generally on such terms and condition as they may think fit, and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;
- (3) At their discretion and subject to the provisions of the Act, to pay for any property or rights acquired by, or services rendered to the Company either wholly or partly in cash, or in shares, bonds, debenture-stock, mortgage or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon, and any such bonds, debenture stock, mortgage or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;
- (4) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or conjointly; also to insure all or any portion of the goods, produce machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurances effected in pursuance of this power:
- (5) To open accounts with any bank or bankers or with any company or firm and to pay money into and draw money from any such account from time to time as the Directors may think fit;
- (6) To secure the fulfillment of any contracts, agreements or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such other manner as they think fit;
- (7) To attach to any shares to be issued as the consideration or part of the consideration for any contract with or property acquired by the Company or in payment for services rendered to the Company, such conditions as to the transfer thereof as they think fit;
- (8) To accept from any member, on such terms and conditions as may be agreed, a surrender of his shares or stock or any part thereof, so far as may be permissible by law;

General Power of Directors

Contain powers of the Board

To pay commission and interest

To acquire property

To pay for property in cash, debenture or otherwise

To insure properties of the Company

To open accounts with bank

To secure contract by mortgage etc.

To attach conditions as to transfer of any shares

To accept surrender of shares

- To appoint trustee* (9) To appoint any person or persons (whether incorporated or not) to accept and hold in trust; for the Company any property belonging to the Company, or in which it is interested, or for any other purposes; and to execute and do all such deeds and things as may be requisite in relation to any such trust, and, to provide for the remuneration of such trustee or trustees;
- To bring and defend suits and legal proceedings* (10) To institute, conduct, defend, compound, or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debt due, or any claims or demands by or against the Company;
- To refer to arbitration* (11) To refer any claims or demands by or against the Company or any dispute or difference to Arbitration and observe, perform and execute any awards made thereon;
- To act in insolvency matters* (12) To act on behalf of the Company in all matters relating bankrupts and insolvents;
- To give receipts* (13) To make and give receipts, releases and other discharges for monies payable to the Company and for the claim and demands of the Company;
- To authorize acceptance* (14) To determine from time to time who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purposes;
- To invest money* (15) Subject to the provisions of the Act and these Articles to invest and deal with any monies of the Company, not immediately required for the purposes thereof upon such securities and other investments (not being shares of this Company) or without security and in such manner as they may think fit and from time to time vary or realise such investments provided that save as permitted by the Act all investments shall be made and held by the Company in its own name;
- To execute mortgage* (16) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur, any personal liability whether as principal or as surety for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit and any such mortgages may contain a power of sale and such other powers, covenants, provisions and agreements as shall be agreed upon;
- To distribute bonus* (17) To distribute by way of bonus amongst the staff of the Company a part of the profits of the Company, and to give to any officer or other persons employed by the Company, a commission on the profits of any particular business or transactions and to charge such bonus or commission as part of the working expenses of the Company;
- Sharing of Profits* (18) Subject to the provisions of the Act to give to any officer or other person employed by the Company an interest in any particular business or transaction by way of a share in the general profits of the Company, and such share of profits shall be treated as a part of the working expenses of the Company;
- To provide for welfare of employees and to subscribe to charitable and other funds* (19) To provide for the welfare of employees or ex-employees of the Company and its Directors or Ex-Directors and the wives, widows, and families and the dependents of such persons by building or contributing to the building of houses, dwelling or quarters or by grant of money, pensions, gratuities & allowances, bonuses, profit sharing bonuses or benefits or any other payments or by creating and from time to time subscribing or contributing to provident and other funds, profit sharing or other schemes or trusts and by providing or subscribing or contributing towards places of instruction or recreation, hospitals and dispensaries, medical and other attendances and other forms of assistance, welfare or relief as the Directors shall think fit, and to subscribe or contribute or otherwise to assist to or guarantee money to charitable, benevolent, religious, scientific, national, public or any other Institutions objects or purposes or for any exhibition;

- (20) Before recommending any dividend to set aside out of the profits of the Company, such sums as they may think proper for depreciation or to or as a Depreciation Fund, or to an Insurance Fund, General Reserve, Reserve Fund, or Sinking Fund or any special or other fund or funds or account or accounts to meet contingencies, or to repay Redeemable Preference Shares or for debentures or debenture stock or for special dividends, or for equalising dividends, or for repairing, improving, extending and maintaining any part of the property of the Company, and/or for such other purposes (including the purposes referred to in the last two preceding clauses), as the Directors may, in their absolute discretion think conducive to the interests of the Company and to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (subject to the restrictions imposed by the Act and these Articles) as the Directors may think fit and from time to time to deal with and vary any such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Directors (subject to such restrictions as aforesaid) in their absolute discretion think conducive to the interests of the Company, notwithstanding that the matters to which the Directors apply or upon which they expend the same or any part thereof may be matters to or upon which the Capital monies of the Company might rightly be applied or expended, and to divide the Reserve, General Reserve or the Reserve Fund into such special funds as the Directors may think fit, and to employ the assets constituting all or any of the above funds or accounts including the Depreciation Fund in the business of the Company or in the purchase or repayment of Redeemable Preference Shares or debentures or debenture-stock and that without being bound to keep the same separately from the other assets and without being bound to pay or allow interest on the same, with power however to the Directors at their discretion to pay or allow to the credit of such fund interest all such rate as the Directors may think proper;
- To create depreciation and other funds*
- (21) Subject to the provisions of the Act, to appoint and at their discretion remove or suspend managers, secretaries, officers, clerks, agents and employees for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and to require security in such instances and of such amounts as they may think fit, and also without prejudice as aforesaid, from time to time provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in clauses (23), (24), (25) and (26) following, shall be without prejudice to the general powers conferred by this clause.
- To appoint employees*
- (22) To comply with the requirement of any local law which the Company is not bound to comply with but which in their option it shall be in the interest of the Company necessary or expedient to comply with;
- To comply with local laws*
- (23) From time to time and any time to establish any Local board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of any local Board, or any managers or agents and to fix their remuneration;
- Local Board*
- (24) Subject to the provisions of the Act and these Articles from time to time, and at any time to delegate to any such Local Board, or any member or members thereof any managers or agents so appointed any of the powers, authorities and discretions for the time being vested in the Board of Directors and to authorise the member for the time being of any such local Board or any of them to fill up any vacancies therein and to act notwithstanding such vacancies therein or any such appointment or delegation under this Article may be made on such terms and subject to such conditions as the Board of Directors may think fit and the Board of Directors may at any time remove any persons so appointed and annul or vary any such delegation;
- Delegation*

Power of Attorney

(25) At any time and from time to time, by Power of Attorney, to appoint any person or persons to be the Attorney or Attorney's of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board of Directors under these presents, and excluding the power, which may be exercised only by the Board of Directors, at a meeting of the Board under the Act or these Articles or by the Company in General Meeting) and for such period and subject to such conditions as the Board of Director, may from time to time think fit and any such appointment may (if the Board of Directors think fit) be made in favour of the member or any of the members of any Local Board, established as aforesaid, or in favour of any Company, or the members, directors nominees or managers or any Company or firm or otherwise in favour of any body of persons, whether nominated directly or indirectly by the Board of Directors and any such Power of Attorney may contain such powers for the protection or convenience of persons, dealing with such attorneys as the Board of Directors may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub delegate all or any of the powers and authorities for the time being vested in them;

To delegate

(26) Subject to the provisions of the Act and these Articles, for or in relation to delegate the powers, authorities and discretion vested in the Directors to any person, firm, company or fluctuating body of persons as aforesaid;

To enter into contracts etc.

(27) Subject to the provisions of the Act and these Articles, for or in relation to any of the matters aforesaid or otherwise for the purpose, of the Company, to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.

To exempt auditor to attend general meeting

(28) On the request being received from any auditor(s), Board or any other person authorized by the Board shall have the authority to exempt any auditors (secretarial auditor, statutory auditor etc.) to attend general meeting of the Company

MANAGING DIRECTOR OR MANAGING DIRECTORS OR WHOLE-TIME DIRECTOR OR WHOLE-TIME DIRECTORS

131. The Board may, subject to the provisions, of the Act and these Article from time to time, appoint any of its members as the Managing Director or Managing Directors of the powers hereby vested in the Board generally as it thinks fit, and such powers may be exercisable for such period or periods and upon such conditions and subject, to such restrictions as it may determine. Subject to the provisions of the Act, the Managing Director or Managing Directors shall not while he or they continue to hold the office be subject to retirement by rotation save and except otherwise decided pursuant to these Articles. If he or they cease to hold the office of Director, he or they shall ipso facto and immediately cease to be the Managing Director or Managing Directors.

Appointment of Manager

132. (1) Subject to the applicable provisions or the Act the Directors may in the alternative, from time to time after obtaining such sanctions and approvals as may be necessary, appoint any Individual or Individuals as Manager or Managers for the Company and fix the term of his remuneration subject to the provisions of the Act.

(2) A manager so appointed shall exercise the powers and authorities conferred upon him by an Agreement entered into between him and the Company and/or by a resolution of the Board of Directors and shall be subject to the obligations and restrictions imposed in that behalf by the Act.

Remuneration of Managing Director and Whole-time Director

133. The remuneration of the Managing Director or Managing Directors or Wholetime Director or Wholetime Directors (subject to applicable provisions of the Act and of these Articles and of any contract between him or them and the Company) shall be in accordance with the terms of his or their contract with the Company.

134. Subject to the provisions of the Act and to the terms of any resolution of the Company in General Meeting or of any resolution of the Board and to the term of any contract with him or them, the Managing Director(s) or Whole time Director(s) shall have substantial powers of management subject to the superintendence, control and direction or the Board of Directors.

Powers and Duties of Managing /Whole time Director

WORKING OR EXECUTIVE DIRECTORS

135. (a) The Board may invite and appoint any expert person whose knowledge, experience skill or expertise is useful to or where such appointment is in the interest of the Company.
- (b) A person appointed as Executive or Working Director under this article, shall not be deemed to be a member of the Board of Directors or any Committee thereof and shall not attend the Board Meetings except on invitation of the Board. On such invitation and advice he may participate in the deliberations but he shall have no right to vote.
- (c) A Working or Executive Director under this article need not hold any qualification shares.
- (d) Subject to such terms and conditions as may be agreed upon a Working or Executive Director under this article may be remunerated for his services.
- (e) Subject to the superintendence, control and direction of the Board of Directors or the Managing Director, an Executive or Working Director under this article may carry on such work functions and assignments as are allotted to him.

Working or Executive Directors

REGISTERS, BOOKS AND DOCUMENTS

136. (1) The Company shall keep all registers, books and documents as prescribed under the Act, in electronic and/or physical form and shall be maintained in conformity with the applicable provisions of the Act and these presents and shall be kept open for inspection for such persons as may be entitled thereto respectively, under the Act and these presents on such days and during such business hours as may be in that behalf be determined in accordance with the provisions of the Act and these Articles and extracts therefrom shall be supplied to those persons entitled thereto on payment of fees of Rs. 10/- (Ten) per page or such sum as may be prescribed by the Act..

Registers, Books and Documents

Except if not permitted by the Act, a member shall provide a prior intimation in writing to the Company of at least four working days before such inspection.

The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions and regulations the accounts and books of the Company or any of them shall be open to the inspection of members (not being Director) and no member (not being Director) shall have any right of inspection of any account or books or documents of the Company except as conferred by law or authorized by the Directors or by the Company in General Meeting.

- (2) The Company may keep a Foreign Register of Members in accordance with the applicable provisions of the Act the Directors may from time to time make such provisions as they may think fit in respect of the keeping of Branch Registers of Members and/or debenture holders.

THE SEAL

137. The Common Seal of the Company, if required to be affixed, shall be affixed to any instrument(s), in the presence of any one of Directors of the Company and/or Chief Financial Officer and/or Company Secretary and/or Compliance Officer of the Company or such person(s) as the Board or aforesaid persons may appoint for the purpose and who shall sign every instrument to which the Seal of the Company is so affixed in their presence.

Deeds how executed

Notwithstanding anything contained in the clause, the use of the Seal of the Company shall not be a mandatory requirement for authenticating any instrument or document by the Company.

138. The Company shall also be at liberty to use an official seal in any territory, district or place outside India.

Seal Abroad

INTEREST OUT OF CAPITAL

- Payment of Interest out of Capital*
139. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provisions of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period, at the rate, and subject to the conditions and restrictions provided by the Act, and may charge the same to capital as part of the cost of construction of the works or building or the provisions of the plant.

DIVIDENDS

- Division of Profits*
140. The profits of the Company, subject to the provisions of these Articles, shall be divisible among the members in proportion to the amount of Capital paid upon the shares held by them respectively. Provided always that any capital paid up or credited as paid up on a share during the period in respect of which a dividend is declared shall, unless the terms of issue otherwise provide, only entitle the holder of such shares to an apportioned amount of such Dividend proportionate to the capital from time to time paid up during such period on such share.
- Capital paid up in advance at interest not to earn dividend*
141. Where capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not whilst carrying interest confer a right to dividend or to participate in profits.
- Open to the Members to waive/ forgo his/their right to receive the Dividend*
142. Notwithstanding anything contained in these Articles of the Company, but subject to the provisions of the Act and all other applicable rules of the statutory authorities and the Rules framed by the Board of Directors of the Company in this behalf as amended from time to time by the Board, it shall be open for the Members of the Company who hold the equity shares in the Company to waive/forgo his/their right to receive the dividend (interim or final) by him/them for any financial year which may be declared or recommended respectively by the Board of Directors of the Company. The waiver/forgoing by the Members, his/ their right to receive the dividend (interim or final) by him/them under this Article shall be irrevocable immediately after the record date/book closure date fixed for determining the names of Members entitled for dividend. The Company shall not be entitled to declare or pay and shall not declare or pay dividend on equity shares to such Members who have waived/forgone his/their right to receive the dividend (interim or final) by him/ them under this Article.
- Dividend in proportion to amount paid up*
143. The Company may pay dividends to the Members other than Members who have waived/ forgone their right, of receiving dividends (including any interim dividend) in respect of any financial year in accordance with the rules framed by the Board of Directors of the Company and amended from time to time by the Board of Directors of the Company, in proportion to the amount paid up or credited as paid up on each share, where a larger amount is paid up or credited as paid up on some shares than on others.
- Powers of General Meeting to limit dividend*
144. No larger dividend shall be declared than is recommended by the Directors but the Company in General Meeting may declare a smaller dividend. No dividend shall be payable except out of the profits of the year or any other undistributed profits of the Company, or otherwise than in accordance with the provisions of the Act and no dividend shall carry interest as against the Company. The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.
- Interim Dividend*
145. Subject to the provisions of the Act, the Directors may, from time to time, pay to the Members other than the Members who have waived/foregone their right of receiving any dividend declared / to be declared by the Company for any financial year, in accordance with Rules framed by the Board and amended from time to time, such interim dividends as in their judgment the position of the Company justifies.

146. Subject to the provisions of the Act no member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect or such share or shares or otherwise howsoever either alone or jointly with any other person or persons, and the Directors may deduct from the interest or dividend payable to any member all sums of money so due from him to the Company. *No member to receive dividend whilst indebted to the Company and Company's right of reimbursement there out*
147. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer. *Right to dividend pending registration of transfer*
148. No unclaimed or unpaid dividend shall be forfeited by the Board and unless otherwise directed any dividend may be paid by electronic mode or by Cheque or Warrant sent through post to the registered address of the member or person entitled or in case of joint holders to that one of them first named in the Register in respect of the joint holding. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost to the member or other person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means. *Payment of Dividend*
149. Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the members for such amount as the meeting fixes, but so that the call to each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so warranted between the Company and the members, be set off against the call. *Dividend and Call together*

RESERVES AND CAPITALISATION

150. The Board may, before recommending any dividend set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, at the like discretion, either be employed in the business of the Company or as may be permitted by the Act, applied for payment of dividend or be invested in such investment, and in such manner or as may be permitted by the Act and as the Board may from time to time think fit. *Reserves*
151. (1) Any General Meeting may resolve that any amounts standing to the credit of the Share Premium Account or the Capital Redemption Reserve Account or any monies, investment or other assets forming part of the undivided profits (including profits or surplus monies arising from the realisation and where permitted by law from the appreciation in value of any General Reserve or any Reserve Fund or any other Fund of the Company or in the hands of the Company and available for dividend) be capitalized: *Capitalisation*
- (a) By the issue and distribution as fully paid up shares of the Company; or
- (b) By crediting shares of the Company which may have been issued to and are not fully paid up with the whole or any part of the remaining unpaid thereof,
- Provided that any amount standing to the credit of the Share Premium Account or the Capital Redemption Reserve Account shall be applied only in crediting the payment of capital on shares of the Company to be issued to members (as herein provided) as fully paid bonus shares.
- (2) Such issue and distribution under clause (1) (a) above and such payment to credit of unpaid share capital under clause (1) (b) above shall be made to among and in favour of the members of any class of them or any of them entitled thereto in accordance with their respective rights and interest and in proportion to the amount of capital paid up on the shares held by them respectively in respect of which such distribution under clause (1) (a) or payment under clause (1) (b) above shall be made on the footing that such members become entitled thereto as capital.

- (3) The Directors shall give effect to any such resolution and apply such portion of the profits of General Reserve Fund or any other fund or Account as aforesaid as may be required for the purpose of making payment in full for the shares of the Company so distributed under clause (1) (b) above or (as the case may be) for the purpose of paying in whole or in part, the amount remaining unpaid on the shares which may have been issued and are not fully paid up under clause (1)(b) above provided that no such distribution or payment shall be made unless recommended by the Directors and if so recommended such distribution and payment shall be accepted by such members as aforesaid in full satisfaction of their interest in the said capitalised sum.
- (4) For the purpose of giving effect to any such resolution the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payment be made to any members on the footing of the value so fixed and may vest any such cash or shares in trustees upon such trusts for the persons entitled thereto as may seem expedient to the Directors and generally may make such arrangements for the acceptance, allotment and sale of such shares and fractional certificates or otherwise as they may think fit.
- (5) Subject to the provisions of the Act and these Articles, in cases where some of the shares of the Company are fully paid and others are partly paid only, such capitalisation may be affected by the distribution of further shares in respect of the fully paid shares, the and by, crediting the partly paid shares with the whole or part of the unpaid liability thereon but so that as between the holders of the fully paid shares, and the partly paid shares, the sum so applied on the payment of such further shares in the extinguishment or diminution of the liability on the partly paid Shares shall be so applied pro-rata in proportion to the amount then already paid or credited as paid on the existing fully paid shares respectively.
- (6) When deemed requisite, a proper contract shall be filled in accordance with the Act and the Board may appoint any person to sign such contract on behalf of the members entitled as aforesaid and such appointment shall be effective.

DOCUMENTS AND SERVICE OF DOCUMENTS

Manner of service

152. (1) A document (which expression for this purpose shall be deemed to include and shall include any summons, notice, requisition, process, Order, Judgment or any other document in relation to or in the winding up of the Company) may be served or sent by the Company on or to any member either personally, or by sending it by post to him at his registered address or (if he has no registered address in India) at the address if any within India supplied by him to the Company or by electronic mode in compliance with the provisions of the act.
- (2) Where a document is sent by post :
 - (a) service thereof shall be deemed to be effected by properly addressing prepaying and posting a letter containing the document provided that where a member has intimated to the Company in advance that documents should be sent to him under certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so service of the document shall not be deemed to be effected unless it is sent in the manner intimated by the member; and
 - (b) such service shall be deemed to have been effected :
 - (i) In the case of a notice of meeting; at the expiration of forty eight hours after the letter containing the notice is posted; and
 - (ii) In any other case, at the time at which the letter would be delivered in the ordinary course of post.

153. If member has no registered address in India and has not supplied to the Company an address within India for the giving of notice to him a document advertised in a newspaper circulating in the neighborhood of the Registered Office of the Company shall be deemed to be duly served on him on the day on which the advertisement appears. *Service on members having no registered address*
154. A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name or by the title of representative of the deceased or assignee of the insolvent; or by any like descriptions, at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served if the death or insolvency has not occurred. *Service on person acquiring shares on death or insolvency of member*
155. Subject to the provisions of the Act any document required to be served or sent by the Company on or to the members or any of them, and not expressly provided for by these presents shall be deemed to be duly served or sent if advertised once in one daily English and one daily vernacular newspaper circulating in the district in which the Registered Office of the Company is situated. *Advertisement*
156. Every person who by operation of law, transfer, or other means whatsoever, shall become entitled to any share shall be bound by every document in respect of such shares which previously to his name and address being entered on the Register, has been duly served on or sent to the person from whom he derives his title to such share. *Members bound by document given to previous holders*
157. Any notice to be given by the Company shall be signed by the Managing Director or Secretary or by such Director or Officer as the Directors may appoint and such signature may be written or printed or lithographed. *Notice by Company and Signature thereto*

RECONSTRUCTION

158. On any sale of the undertaking of the Company the Board or liquidator on a winding up may, if authorised by a Resolution, accept fully paid or partly paid-up shares, debentures or securities of any other Company, whether incorporated in India or not, either then existing or to be formed for the purchase in whole or in part of the property of the Company, and the Board (If the profits of the Company permit) or the liquidator (in a winding up) may distribute such shares or securities or any other property or the Company amongst the members without realization, or vest the same in trustees for them, and any Resolution may provide for the distribution or appropriation of cash, shares or other securities, benefit or property otherwise than in accordance with the strict legal rights of the members or contributories of the Company and for the valuation of such securities or property at such price and in such manner, as the meeting may approve and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorised, and waive all rights in relation thereto, save only in case the Company is proposed to be or is in the course of being wound up, such statutory rights, if any, under the Act as are incapable of being varied or excluded by these Articles. *Reconstruction*

WINDING UP

159. Subject to provisions of the Act, if the Company shall be wound up, and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the Capital paid up or which ought to have been paid up at the commencement of the winding up on the shares held by them respectively. And if in a winding up the assets available for distribution amongst the members shall be more than sufficient to repay the whole of the Capital paid up at the commencement of the winding up, the excess shall be distributed among the members in proportion to the Capital paid up at the commencement of the winding up or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to rights of the holders of shares issued upon special terms and conditions. *Distribution of Assets*

Distribution of assets in specie or kind

160. (1) If the Company shall be wound up, whether voluntarily or otherwise, the liquidators may with the sanction of a special resolution but, subject to the rights attached to any preference share capital divide amongst the contributories, in specie or in kind, any part of the assets of the Company and may with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidators with the like sanction shall think fit.
- (2) If thought expedient any such division may, subject to the provisions of the Act, be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any such division shall be determined, any contributory who would be prejudiced thereby shall have right to dissent and ancillary rights as if such determination were a special resolution passed pursuant to applicable provisions of the Act.
- (3) In case any shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares may within ten days after the passing of the special resolution, by notice in writing, intimate to the liquidator to sell his proportion and pay him the net proceeds and the liquidator shall, if practicable, act accordingly.

Rights of shareholders in case of sale

161. A special resolution sanctioning a sale to any other Company duly passed pursuant to, the provisions of the Act, in like manner as aforesaid determine that any shares or other consideration receivable by the liquidator be distributed amongst the members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent and consequential rights conferred by the said section.

SECURITY CLAUSE

Secrecy Clause

162. (1) Every director, manager, auditor, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company, shall if so required by the Directors before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in relation thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
- 2) No member shall be entitled to visit or inspect the Company's works without the permission of the Directors or the Managing Director or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process, which may relate to the conduct of the business of the Company and which in the opinion of the Directors or the Managing Director it will be inexpedient in the interest of the members of the Company to communicate to the public.

INDEMNITY AND RESPONSIBILITY

163. (1) Subject to the provisions of the Act, every Director of the Company or the Managing Director, Manager, Secretary and other officer or employee of the Company and the Trustee (if any) for the time being acting in relation to any or the affairs of the Company and every one of them shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company to pay all costs, losses and expenses (including traveling expenses) which any such Director, Managing Director, Manager; Secretary or other officer or employee and the trustees (if any) for the time being acting in relation to any of the affairs of the Company may incur or become liable to by reason of any contract entered in to or any act, deed or thing done by him as such Director, officer, employee or trustees or in any way in the discharge of his duties. *Directors and others rights to indemnity*
- (2) Subject as aforesaid, every Director Managing Director, Manager, Secretary or other officer or employee of the Company or the Trustees (if any) for the time being acting in relation to any of the affairs of the Company and every one of them shall be indemnified against any liability incurred by him in defending any proceedings whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application under relevant provisions of the Act in which relief is given to him by the Court.
164. Subject to the provisions of the Act no Director, Managing Director or other officer of the Company shall be liable for the acts, omissions, neglects or defaults of any Director or Officer or for Joining in any omission or other act for conformity or for any loss or expenses suffered by the Company through insufficiency or deficiency, of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person Company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgment or oversight on his part or for any other loss or damages or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty. *Directors and others not responsible for act of others*
165. Whenever in the Act, it has been provided that the Company shall have any right privileges or authority or that the Company could carry out any transaction only if the Company is authorised by its Articles, then and in that case this regulation hereto authorises and empowers the Company to have such rights privilege or authority and to carry such transactions as have been permitted by the Act, without there being any specific regulation in that behalf herein provided. *General Power*

We, the partners of the partnership firm M/s. SUN PHARMACEUTICAL INDUSTRIES joint stock Company within the meaning of Part IX of the Companies Act, 1956, whose names and addresses are given below being desirous to get our said joint stock Company registered under the Companies Act, 1956 for the purpose of continuing to carry on our activities but in pursuance of the Articles of Association we respectively confirm our share capital of the Company set opposite our respective names.

Name, Address, description and occupation of each Subscriber	Number of Equity Shares taken by each Subscriber	Signature of Subscribers	Name, address, description and occupation of Witness
DILIP SHANTILAL SHANGHVI S/o. SHRI SHANTILAL NAGARDAS SHANGHVI 902, Hira Panna, Apartments, Behind Alkapuri Arcade, Near Race Course Circle, Baroda – 390 007. Business	1,32,000 (One Lac Thirty Two Thousand)	Sd/-	
JAYANT SHANTILAL SHANGHVI S/o. SHRI SHANTILAL NAGARDAS SHANGHVI 902, Hira Panna Apartments, Behind Alkapuri Arcade, Near Race Course Circle, Baroda – 390 007. Business	46,000 (Forty Six Thousand)	Sd/-	
M/S. TEJASKIRAN PHARMACHEM INDUSTRIES PVT. LTD., F. P. 145, Ram Mandir Road, Vile Parle (E) Bombay – 400 057 Business Through SAILESH T. DESAI, Director	10,000 (Ten Thousand)	For TEJAS KIRAN PHARMACHEM INDUSTRIES PVT. LTD. Sd/- Director	
M/S. FAMILY INVESTMENT PVT. LTD. F.P. 145, Ram Mandir Road, Vile Parle (E), Bombay – 400 057. Business Through JAYESH N. SHANGHVI, Director	3,000 (Three Thousand)	FOR FAMILY INVESTMENT PVT. LTD. Sd/- Director	
M/S. QUALITY INVESTMENT PVT. LTD. F. P. 145, Ram Mandir Road, Vile Parle (E), Bombay – 400 057 Business Through JAYANT S. SHANGHVI, Director	3,000 (Three Thousand)	FOR QUALITY INVESTMENT PVT. LTD. Sd/- Director	
M/S. VIRTUOUS FINANCE PVT. LTD 8/35, Bhagwat Sadan Road, No. 14, Matunga, Bombay 400 019. Business Through SHANTILAL N. SHANGHVI, Director	3,000 (Three Thousand)	FOR VIRTUOUS FINANCE PVT. LTD Sd/- Director	
M/S. VIDITI INVESTMENT PVT. LTD. F.P. 145, Ram Mandir Road, Vile Parle (E), Bombay – 400 057 Business Through JAYESH N. SHANGHVI, Director	3,000 (Three Thousand)	FOR VIDITI INVESTMENT PVT. LTD. Sd/- Director	
TOTAL	2,00,000		

Sd/-
 (MAHESH SHAH)
 S/o SRI RAMESHCHANDRA C. SHAH
 SUN PHARMACEUTICAL INDUSTRIES
 SYNERGY HOUSE, GORWA ROAD, SUBHANPURA,
 BARODA - 390 007.
 Occupation: SERVICE

Place : VAPI

Date : 15.2.1993

AMALGAMATION
OF
TAMILNADU DADHA PHARMACEUTICALS LTD.
WITH
SUN PHARMACEUTICAL INDUSTRIES LTD.

**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
(ORIGINAL JURISDICTION)
COMPANY PETITION NO. 298 OF 1997
CONNECTED WITH
COMPANY APPLICATION NO. 212 OF 1997**

IN THE MATTER OF :-

**SUN PHARMACEUTICAL INDUSTRIES LIMITED A COMPANY REGISTERED
UNDER THE COMPANIES ACT, 1956 AND HAVING ITS REGISTERED OFFICE
AT SYNERGY HOUSE, GORWA ROAD, SUBHANPURA, VADODARA-390 007
IN THE STATE OF GUJARAT.**

**SUN PHARMACEUTICAL INDUSTRIES LIMITED A COMPANY REGISTERED
UNDER THE COMPANIES ACT, 1956 AND HAVING ITS REGISTERED OFFICE
AT SYNERGY HOUSE, GORWA ROAD, SUBHANPURA, VADODARA-390 007
IN THE STATE OF GUJARAT PETITIONER**

BEFORE HONOURABLE MR. JUSTICE Y. B. BHATT

Date : 19th November, 1997.

ORDER ON PETITION

The above petition coming on for hearing on 19th November 1997, upon reading the said petition, the order dated 30-6-97 in the Company Application No. 212 of 1997 whereby the petitioner was directed to convene the meeting of the Equity shareholders for the purpose of considering, and if thought fit, approving, with or without modification the compromise or arrangement proposed to be made between the said Company and its members by the scheme of Amalgamation of Tamilnadu Dadha Pharmaceuticals Limited with the petitioner company and annexed to the affidavit of Shri R.K. Baheti filed on the 26th day of June 1997 and 'Indian Express' English Daily dated 8-7-1997 and 'Loksatta' Gujarati Daily dated 8-7-1997 containing each the advertisement of the said notice convening the said meetings directed to be held by the said order dated 30-6-1997, the affidavit of Shri Dilip S. Shanghvi filed on 9th day of July 1997 showing the publication and despatch of the notices convening the said meetings, the reports dated 12-8-1997 filed by the chairman of the said meetings dated 2-8-1997 as to the result of the said meetings, and upon hearing Mrs. Swati S. Soparkar, Advocate for the petitioner Company and Shri B.T.Rao, Additional Central Government Standing Counsel appearing for the Central Government and it appearing from the reports that the proposed compromise or arrangement has been approved unanimously by all the shareholders.

This court doth hereby sanction the compromise arrangement set forth in para 8 of the petition herein and the Schedule hereto and doth hereby declare the same to be binding on the shareholders of the above named company and also on the abovenamed company.

And this court doth further order that parties to the compromise or arrangement or other persons interested shall be at liberty to apply to this Court for any direction that may be necessary in regard to the working of the compromise or arrangement, and

That the said company do file with the Registrar of the Companies a certified copy of this order within 30 days from the date of obtaining the same, and

This Court doth further order payment of Rs. 7,500/- in aggregate as the cost of this petition awardable to Shri B.T.Rao Additional Central Government Standing Counsel appearing for the Central Government.

SCHEDULE

Scheme of Compromise or Arrangement as sanctioned by the court.

Dated this 19th day of November 1997.

**SCHEME OF AMALGAMATION OF
TAMILNADU DADHA PHARMACEUTICALS LIMITED
WITH
SUN PHARMACEUTICAL INDUSTRIES LIMITED**

1. DEFINITIONS :

In this Scheme unless inconsistent with the subject or context, the following expression shall have the following meanings :-

- (a) **'The Transferor Company'** means Tamilnadu Dadha Pharmaceuticals Limited, a Company incorporated under the Companies Act, 1956 and having its Registered Office at 260-262, Royapettah High Road, Chennai - 600 014.
- (b) **'The Transferee Company'** means Sun Pharmaceutical Industries Limited, a Company registered under the Companies Act, 1956 and having its Registered Office at Synergy House, Subhanpura, Gorwa Road, Vadodara - 390 007.
- (c) **'The Act'** means Companies Act, 1956 including any statutory modifications, re-enactments or amendments thereof.
- (d) **'The Appointed Date'** means the commencement of 1st day of April, 1997.
- (e) **'The Effective Date'** means the last of the dates on which the sanctions/approvals or orders as specified in Clause No.14 of this Scheme have been obtained.
- (f) **'Undertaking'** shall mean and include :
- i) All the assets of the Transferor Company as on the appointed date (hereinafter referred to 'the said Assets').
 - ii) All debts, liabilities, duties and obligations of the Transferor Company as on the appointed date (hereinafter referred to 'the said Liabilities').
 - iii) Without prejudice to the generality of Sub-clause (a) above the undertaking of the transferor company shall include all the transferor company's reserves, provisions, funds, moveable and immovable properties, assets including investments, claims, powers, authorities, allotment, approvals, consents, registrations, contracts, enactments, arrangements, rights, titles, interest, benefits, advantages, lease-hold rights and other intangible rights, industrial and other licences, permits, authorisations, quota, rights, trade marks, patents, brands secret formulae, drawings, research rights and other industrial intellectual properties, imports, telephone/facsimile/telex and other communication facilities and equipments including Computers, Hardwares, Softwares, and other electronic equipments and instruments, system of any kind whatsoever, rights and benefits of all agreements and other interests including rights & benefits under various schemes of different Taxation Laws as may belong to or be available to the Transferor Company, rights and powers of every kind, nature and description of whatsoever probabilities, liberties, easements, advantages, and approval of whatsoever nature and wheresoever situated, belonging to or in ownership, power or possession or control or entitlement of the Transferor Company.
- (g) **'The Scheme'** means This Scheme of Amalgamation in its present form submitted to the High Court of Judicature at Ahmedabad/Chennai for sanction with any modification(s), approved or imposed or directed by the said High Courts.
- (h) **'SHARE CAPITAL'**: The Authorised Share Capital of the Transferor Company is Rs. 2,00,00,000/- (Rupees Two Crores Only) consisting of 20,00,000 (Twenty Lakhs Only) Equity Shares of Rs.10/- (Rupees Ten Only) each.

Issued, subscribed and paid-up capital of the Company is Rs.1,65,45,300. (Rupees One Crore Sixty Five Lakhs Forty Five Thousand Three Hundred Only) consisting of 16,54,530 (Sixteen Lakhs Fifty Four Thousand Five Hundred Thirty Only) Equity Shares of Rs.10/- (Rupees Ten Only) each fully paid-up.

Of the above shares

- i) 1,93,300 (One Lakh Ninety Three Thousand Three Hundred Only) Equity Shares of Rs.10/- (Rupees Ten Only) each allotted as fully paid-up pursuant to Promoters Agreement dated 24-03-1973 and the Govt. Letter No. 38546/MIB/111/73/74 dated 22-08-73 without payment being received in Cash.
- ii) (a) 1,12,508 (One Lakh Twelve Thousand Five Hundred Eight Only) Equity Shares of Rs.10/- (Rupees Ten Only) each are allotted on 28-06-1982 as fully paid-up Bonus Shares by Capitalisation of General Reserves.
(b) 5,51,510 (Five Lakh Fifty One Thousand Five Hundred Ten Only) Equity Shares of Rs.10/- (Rupees Ten Only) each are allotted on 31-01-1989 as fully paid-up Bonus Shares by Capitalisation of General Reserves.

The Authorised Share Capital of the Transferee Company is Rs.15,00,00,000 (Rupees Fifteen Crores Only) consisting 1,50,00,000 (One Crore Fifty Lakhs Only) Equity Shares of Rs.10/- (Rupees Ten Only) each.

Issued & Subscribed Capital Rs. 14,80,12,000 (Fourteen Crore Eighty Lakhs Twelve Thousand Only) comprising of 1,48,01,200 (One Crore Forty Eight Lakhs One Thousand Two Hundred Only) Shares of Rs.10/- (Rupees Ten Only) each fully called up.

Less : Calls unpaid Rs. 29,863 (Rupees Twenty Nine Thousand Eight Hundred Sixty Three Only).

Out of the above Shares 35,92,500 (Thirty Five Lakhs Ninety Two Thousand Five Hundred Only) Equity Shares of Rs.10/- (Rupees Ten Only) each were allotted as fully paid-up Bonus Shares by Capitalisation of Share Premium Account and Profit and Loss Account.

2. TRANSFER OF UNDERTAKING :

- (a) With effect from the Appointed date and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the undertaking of the Transferor Company shall, without any further act or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to or vested in the Transferee Company pursuant to the provisions of Section 394 and other applicable provisions of the Act.
- (b) The Transfer/vesting as aforesaid shall be subject to existing charges/hypothecation/mortgage or encumbrance (if any as may be subsisting) over or in respect of the said assets or any part thereof, provided however, any reference in any security documents or arrangements, to which the Transferor Company is a party, to the asset of the Transferor Company offered or agreed to be offered as security in any financial assistance or obligations, to the secured creditors of the Transferor Company shall be construed as reference only to the assets pertaining to the Undertaking of the Transferor Company as are vested in the Transferee Company by virtue of the aforesaid Clause to the end and intent that such securities, mortgages and charges do not extend or be deemed to extend to any of the assets or to any other Units or Divisions of the Transferee Company unless specifically agreed to by the Transferee Company, with such secured creditors and subject to the consent and approvals of the existing creditors of the Transferee Company.

PROVIDED ALWAYS THAT the Scheme shall not operate to enlarge any securities for any loan, deposit or facility created by or available to the Transferor Company, which shall vest in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be obliged to create any further or additional security therefor

and after the amalgamation is effective or otherwise.

- (c) It is expressly provided that in respect of such of the assets of the Undertakings as are moveable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery the same shall be so transferred by the Transferor Company and shall become the property of the Transferee Company in pursuance of the provisions of Section 394 of the Act, as an integral part of the undertaking.
- (d) In respect of all such of the assets other than those of Sub para (c) above, without any further act, instrument or deed, be transferred, to and vested in and/or be deemed to be transferred to and vested in the Transferee Company in pursuant to the provisions of Section 394 of the Act, as an integral part of the undertaking.
- (e) it is clarified that as far as any unsecured public deposits and debentures or bonds of the Transferor Company are concerned, the same shall be kept distinctly identified in the records of the Transferee Company for all intents and purposes including accounting and shall not be combined under any existing deposit scheme and/or outstanding series of debentures or bonds of the Transferee Company.
- (f) Any debentures, bonds, notes or other securities, whether convertible into equity or otherwise, (hereinafter referred to as 'Transferor's Securities') and whether issued in India or abroad, shall without further act or deed become securities of the Transferee Company and all rights, powers, duties and obligations in relation thereto shall be transferred to and vested in and shall, upon the coming into effect of this Scheme, be exercised by or against the Transferee Company as if it were the Transferor Company.

As on the appointed Date, and subject to any corrections and adjustments as may, in the opinion of the Board of Directors of the Transferee Company be required, the reserves of the Transferor Company will be merged with those of the Transferee Company in the same form as appeared in the financial statement of the Transferor Company.

The differences between the amount recorded as fresh share capital issued by the Transferee Company on amalgamation and the amount of the share capital of the Transferor Company will be reflected in the Revenue Reserve(s) of the Transferee Company.

Further, in case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the amalgamation will be quantified and adjusted in the Revenue Reserve(s) as mentioned earlier to ensure that the financial statement of the Transferee Company reflects the financial position on the basis of consistency in the accounting policy.

With effect from the appointed date, and subject to the provisions of this Scheme, the said liabilities shall also be and shall stand transferred or deemed to have been transferred without any further act, instrument or deed to the Transferee Company, pursuant to the provisions of Section 394 of the Act, so as to become as and from the Appointed date, the debts, liabilities, duties and obligation 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.

An amount equal to the balance lying to the credit of the Share Premium Account in the books of the Transferor Company shall be credited by the Transferee Company, in separate accounts to be styled 'Share Premium - Account' in the Transferee Company's books.

An amount equal to the balance lying to the credit of the General Reserve in the books of the Transferor Company shall be credited by the Transferee Company to its General Reserve and shall constitute the Transferee Company's free reserves as effectively as if the same was created by the Transferee Company out of its own earned and distributable profits.

An amount equal to the balance lying to the credit of Debenture Redemption Reserve Account in the books of the Transferor Company shall be credited by the Transferee Company in its books to a separate account to be styled as 'Debenture Redemption Reserve Account'.

An amount equal to the balance lying to the credit of 'Profit and Loss Account' in the books of the Transferor Company shall be credited by the Transferee Company to its Profit and Loss Account and shall constitute the Transferee Company's free reserve as effectively as if the same was created by the Transferee Company out of its own earned and distributable profits.

3. OPERATIVE DATE OF THE SCHEME :

This Scheme, though effective from the Appointed date shall be operative from the effective date.

4. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY TILL EFFECTIVE DATE :

With effect from the Appointed Date, and upto the Effective Date :

The Transferor Company shall carry on or deemed to have carried on all its business and activities and shall be deemed to have held or stood possessed of and shall hold and stand possessed of all the said Assets for and on account of and in trust for the Transferee Company.

All the profits or income accruing or arising to the Transferor Company or expenditure or losses arising or incurred by the Transferor Company shall for all purpose be treated and be deemed to be and accrued as the profits and income or expenditure or losses of the Transferee Company, as the case may be.

The Transferor Company shall carry on its business activities with reasonable diligence, business prudence and shall not alienate, charge, mortgage, encumber or otherwise deal with the said assets or any part thereof except in the ordinary course of business or pursuant to any pre-existing obligation undertaken by the Transferor Company prior to the Appointed Date except with prior written consent of the Transferee Company.

Provided that as far as the obligations referred as above are concerned, the restrictions thereunder shall be applicable from the date of the acceptance of the present Scheme by the respective Board of Directors of the Transferor and Transferee Company even if the same is prior to the Appointed date.

The Transferor Company shall not vary the terms and conditions and employment of its permanent employees except in ordinary course of business.

The Transferor Company shall not, without prior written consent of the Transferee Company, undertake any new business.

The Transferor Company shall not, without prior written consent of the Transferee Company, take any major policy decisions in respect of management of the Company and for the business of the Company and shall not change its present capital structure.

5. LEGAL PROCEEDINGS :

All suits, claims, actions and proceedings by or against the Transferor Company pending and/or arising on or before the date on which this Scheme shall finally take effect shall be continued and enforced by the Transferee Company as effectively as if the same has been pending/or arising against the Transferee Company.

6. CONTRACTS, DEEDS AND OTHER INSTRUMENTS :

Subject to all the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be 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.

7. ISSUE OF SHARES BY THE TRANSFEE COMPANY :

The Transferee Company shall before the allotment of Equity Shares in terms of this Scheme without following the procedure laid down under the applicable provisions of the Act :

- i) Increase its authorised capital by creation of 1,00,00,000 (One Crore Only) Equity Shares of Rs.10/- (Rupees Ten Only) each.
- ii) Alter Clause V relating to the authorised share capital in the Memorandum of Association of the Company by substituting the existing sentence. The Authorised Share Capital of the Company is Rs.15,00,00,000/- (Rupees Fifteen Crores Only) divided into 1,50,00,000/- (One Crore Fifty Lakhs Only) Equity Shares of Rs.10/- (Rupees Ten Only) each with the following :
 - V. The Authorised Share Capital of the Company is Rs. 25,00,00,000/- (Rupees Twenty Five Crores Only) divided into 2,50,00,000/- (Two Crores Fifty Lakhs Only) Equity Shares of Rs.10/- (Rupees Ten Only) each.
- iii) ALTER ARTICLE (4) relating to the Share Capital in the Articles of Association of the Company by substituting the existing article.

The Authorised Share Capital of the Company is Rs. 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 1,50,00,000/- (One Crore Fifty Lakhs Only) Equity Shares of Rs. 10/- (Rupees Ten Only) each with the following Article.

The Authorised Share Capital of the Company is Rs.25,00,00,000/- (Rupees Twenty Five Crores Only) divided into 2,50,00,000/- (Two Crores Fifty Lakhs Only) Equity Shares of Rs.10/- (Rupees Ten Only) each.

Upon the Scheme becoming finally effective, in consideration of the transfer and vesting of the Undertaking of the Transferor Company in the Transferee Company in terms of the Scheme, the Transferee Company shall subject to the provisions of the Scheme and without any further application, act or deed, issue and allot at par 1 (One) Equity Share of Rs.10/- (Rupees Ten Only) each credited as fully paid-up in the Capital of the Transferee Company to the members of the Transferor Company whose names appear in the Register of Members of the Transferor Company on a date (Record Date) to be fixed by the Board of Directors of the Transferee Company for every 4 (Four) Equity Shares of the face value of Rs.10/- (Rupees Ten Only) each fully paid-up credited at paid-up and held by the said members or their heirs, executors, administrators or their legal representatives as the case may be, in the Transferor Company.

The said new Equity Shares shall rank for voting rights and all other respect pari-passu with the Equity Shares of the Transferee Company, including proportionate entitlements to dividend in respect of all dividends declared after the Appointed Date.

No fractional Coupons shall be issued by the Transferee Company in respect of the fractional share entitlements, if any, to which the members of the Transferor Company may be entitled on issue of Equity Shares of the Transferee Company as aforesaid. The Directors of the Transferee Company shall instead consolidate all such fractional entitlements to which the members of the Transferor Company may be entitled on issue and allotment of the Equity Shares of the Transferor Company as aforesaid and thereupon issue and allot Equity Shares in lieu thereof to a Director or an officer of the Transferee Company with the express understanding that such Director or officer to whom such Equity Shares to be allotted shall sell the same in the market at the prevailing available price and pay to the Transferee Company the net sale proceeds thereof. Whereupon the Transferee Company shall distribute such net sale proceeds to the members of Transferor Company in proportion to the fractional shares to their fractional entitlements.

For the purpose as aforesaid the Transferee Company shall, if and to the extent required, apply for and obtain the requisite consent/approval of the Reserve Bank of India and other appropriate authorities concerned for issue and allotment by the Transferee Company to the respective members of the Transferor Company of the Equity Shares in the said re-organised share capital of the Transferee Company in the ratio as aforesaid.

The issue and allotment of 4,13,633 (Four Lakhs Thirteen Thousand Six Hundred Thirty Three Only) Equity Shares in the Transferee Company to the members of the Transferor Company as provided in the Scheme shall be deemed to have been carried out by following the procedure laid down under Section 81 (IA) and other applicable provisions of the Act.

Upon issuance and allotment of the Equity Shares by Transferee Company to the members of the Transferor Company as provided in the Scheme, the existing Equity Shares held by the members of the Transferor Company shall automatically stand cancelled/extinguished.

Upon the coming into effect of this Scheme, the borrowing limits of the Transferee Company in terms of Section 293(1) (d) of the said Act, shall without further act or deed stand enhanced by an amount equivalent to the authorised borrowing limits of the Transferor Company, such limits being incremental to the existing limits of the Transferee Company. These limits as enhanced may be increased from time to time by the Transferee Company by obtaining sanction of its shareholders in accordance with the provisions of the said Act.

Equity Shares of the Transferee Company issued in terms of Clause above, shall subject to applicable regulation, be listed and/or admitted to trading on the relevant Stock Exchange/s, whether in India or abroad, where the Equity Shares of the Transferee Company are listed and/or admitted to trading upon the Scheme becoming effective.

8. DIVIDEND, PROFIT, BONUS RIGHT SHARES :

At any time upto the Effective Date

- (a) The Transferor Company and the Transferee Company shall not declare/or pay dividends which are interim/or final to the respective members relating to any period commencing on or after the Appointed Date unless agreed to by the Board of Directors of the Transferor Company and the Transferee Company.
- (b) The Transferor Company and the Transferee Company shall not issue or allot any right shares, or Bonus Shares or any other security converting into Equity or other Share Capital or obtain any other financial assistance converting into Equity or other Share Capital, unless agreed to by the Board of Directors of the Transferor Company and the Transferee Company.

9. TRANSFEROR COMPANY'S EMPLOYEES :

All permanent Employees of the Transferor Company in service on the Effective Date, shall become the 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.

It is expressly provided that as far as Provident Fund, Gratuity Fund, Superannuation Fund or any other special funds/ Scheme(s) created or existing for the benefit of the employees of the Transferor Company are concerned, upon the scheme which becomes officially effective, the Transferee Company shall stand substituted for the Transferor Company for all purpose whatsoever related to the administrative or operation of such Scheme(s)/Fund(s) or in relation to the obligation to make contribution to the said Schemes/funds in accordance with the provisions of such Schemes/Funds as per the terms provided in the respective Trust Deeds. It is the end intent that all the rights, duties, powers and obligation of the Transferor Company in relation to such fund shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous without any break or interruption for the purpose of aforesaid Schemes/Funds. It is however, clarified that the Transferee

Company shall be eligible and entitled to effect the transfer of the employees of the Transferor Company in ordinary and usual course of business and subject to business prudence the Board of Directors of the Transferee Company shall be eligible to re-assess and to re-allocate any of the activity undertaken by the employees of the Transferor Company.

10. DISSOLUTION OF THE COMPANY :

The Transferor Company shall be dissolved without winding up on an order made by the High Court of Chennai under Section 194 of the Companies Act.

11. APPLICATION TO THE HIGH COURT :

The Transferor Company with all reasonable despatch, make applications/petitions under Sections 391 and 394 and other applicable provisions of the Act to the High Court of Judicature at Chennai for sanctioning of this Scheme and for dissolution of the Transferor Company without winding up under the provisions of the Act.

The Transferee Company shall also with reasonable despatch make applications/petitions Under Sections 391 and 394 and other applicable provisions of the Act to the High Court at Ahmedabad for sanctioning of the Scheme under the provisions of the Act.

12. MODIFICATIONS, AMENDMENTS TO THE SCHEME :

The Transferor Company (by its Directors) and Transferee Company (by its Directors) may assent from time to time on behalf of persons concerned to any modifications/amendments to this Scheme or any conditions or limitations which the respective High Courts of Chennai/Ahmedabad or any authorities under the Law may deem fit to approve or impose and to resolve any doubt or difficulties that may arise for carrying out this Scheme and to do and execute all such acts, deeds, matters and things necessary for putting the Scheme into effect.

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

13. SCHEME CONDITIONAL UPON APPROVALS/SANCTIONS :

This Scheme is specifically conditional upon and subject to :

- (a) approval of and agreement to the Scheme by the requisite majorities of such Classes of persons of the Transferor Company and Transferee Company as may be directed by the respective High Courts of Judicature at Chennai/Ahmedabad on the applications made for directions under Section 391 of the said Act for calling meetings and necessary resolutions being passed under the Act for the purpose.
- (b) the sanctions of the High Courts of Judicature at Chennai/Ahmedabad being obtained under Sections 391 and 394 and other applicable provisions of the Act, if so required on behalf of the Transferor Company and Transferee Company.
- (c) the requisite approval of the Reserve Bank of India under the provisions of Foreign Exchange Regulation Act, 1973 for the issue of shares in the Transferee Company to the non resident shareholders of the Transferor Company.
- (d) approval of lenders, if and to the extent required; and
- (e) approval, if required for debentures other similar securities if such approval is necessary under the terms of issue thereof.

14. EFFECTIVE DATE OF THE SCHEME :

This Scheme although to come into operation from 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 sections 391 and 394 of the Act are duly filed with the respective Registrar of Companies of Gujarat and Tamilnadu and such date shall be referred to as Effective Date for the purpose of the Scheme.

15. EFFECT OF NON-RECEIPT OF APPROVAL/SANCTION :

In the event of any of the said sanction and approval referred to in the preceding Clause No. 12 and 13 above not being obtained and/or the Scheme not being sanctioned by the High Courts and/or the Order(s) not being passed as aforesaid before 31/12/98 or within such further period(s) as may be agreed upon from time to time between the Transferor Company (by its Directors) and the Transferee Company (by its Directors) and the Board of the Directors of both the Companies 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 their respective delegates, this Scheme 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 and or otherwise arise as per Law.

16. EXPENSES CONNECTED WITH THE SCHEME :

All costs, charges and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with or any incidental to this Scheme shall be respectively borne by the Transferor and Transferee Companies.

Dated this 19th day of November, 1997. Witness
KUMARAN SREEDHARAN Esquire, the Chief Justice
at Ahmedabad aforesaid this 19th day of November
One Thousand Nine Hundred Ninety Seven.

By the order of the Court

Sd/-

Joint Registrar
this 5th day of Dec. 1997.

Order drawn by :

sd/-

(Swati Soparkar)
Advocate

Sealer

sd/-

This 5th day of Dec. 1997.

**AMALGAMATION
OF
MILMET LABORATORIES PRIVATE LIMITED
WITH
SUN PHARMACEUTICAL INDUSTRIES LTD.**

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

(ORIGINAL JURISDICTION)

COMPANY PETITION NO. 297 OF 1998

Connected with

COMPANY APPLICATION NO. 412 OF 1998

In the matter of :

Sun Pharmaceutical Industries Limited,

a Company registered under the Companies Act,

1956 and having its registered office at

Synergy House, Gorwa Road, Subhanpura,

Vadodara 390 007 in the state of Gujarat.

Sun Pharmaceutical Industries Limited,
a Company registered under the Companies
Act, 1956 and having its registered
office at Synergy House, Gorwa Road,
Subhanpura, Vadodara 390 007 in the state
of Gujarat Petitioner

BEFORE HONOURABLE MR. JUSTICE H.L. GOKHALE

Date : 12 th February, 1999

ORDER ON PETITION

The above petition coming on for hearing on 12th, February 1999 upon reading the said petition, the order dated 30.11.1998 in the Company Application No. 412 of 1998 whereby the petitioner was directed to convene meeting of the Equity shareholders of the above Company for the purpose of considering, and if thought fit, approving, with or without modification the compromise or arrangement proposed to be made between the said Company and its shareholders in the matter of Amalgamation of Hilmel Laboratories Private Limited with the petitioner-company and annexed to the affidavit of Shri R. K. Rahell filed on the 27.11.1998 and 'The Indian Express' English Daily-Vadodara Edition dated 5.12.1998 and 'Lokmat's' Gujarati Daily-Vadodara Edition dated 5.12.1998 containing each the advertisement of the said notice convening the said meeting directed to be held by the said order dated 30.11.1998, the affidavit of Shri Shantilal N. Sanghvi filed on 10.12.1998 showing the publication and despatch of the notices convening the said meeting; the reports dated 28.12.1998 filed by Shri Shantilal N. Sanghvi, the chairman of the said meeting dated-28.12.1998 as to the result of the said meeting, and upon hearing Shri Saurabh N. Soparkar, Advocate for the petitioner Company, and Shri B. T. Rao, Additional Central Government Standing Counsel appearing for the Central Government and it appearing from the reports that the proposed compromise or arrangement has been approved unanimously by the shareholders of the company present at the meeting.

This Court doth hereby sanction the compromise or arrangement set forth in para 11 of the petition herein and in the Schedule hereto and doth hereby declare the same to be binding on the shareholders of the abovenamed company and also on the abovenamed company.

And this Court doth further order that parties to the compromise or arrangement or other persons interested shall be at liberty to apply to this Court for any directions that may be necessary in regard to the working of the compromise or arrangement, and

This the said Company do file with the Registrar of the Companies a certified copy of this order within 30 days from this date, and

This Court doth further order payment of Rs. 2,500/- in aggregate as the cost of this petition awardable to Shri B. T. Rao, Additional Central Government Standing Counsel, appearing for the Central Government.

SCHEDULES

Scheme of Compromise or Arrangement as sanctioned by the Court.

Dated this 12 th day of February 1999.

SCHEME OF AMALGAMATION OF
MILMET LABORATORIES PRIVATE LIMITED
WITH
SUN PHARMACEUTICAL INDUSTRIES LIMITED

1. DEFINITIONS

In this Scheme unless inconsistent with the subject or context, the following expression shall have the following meanings :-

- (a) The Transferor Company means Milmet Laboratories Private Limited, a Company registered under the Companies Act, 1956 and having its Registered Office at 907/4, G.I.D.C, Makarpura, Vadodara - 390 010.
- (b) The Transferee Company means Sun Pharmaceutical Industries Limited, a Company registered under the Companies Act, 1956 and having its Registered Office at Synergy House, Subhanpura, Gorwa Road, Vadodara - 390 007.
- (c) The Act means Companies Act, 1956 including any statutory modifications, re-enactments or amendments thereof.
- (d) The Appointed Date means the commencement of 1st day April, 1998.
- (e) The Effective Date means the last of the dates on which the sanctions/approvals or orders as specified in Clause No. 14 of this Scheme have been obtained.
- (f) 'Undertaking' shall mean and include :
- i) All the assets of the Transferor Company as on the appointed date (hereinafter referred to as the said Assets).
 - ii) All debts, liabilities, duties and obligations of the Transferor Company as on the appointed date (hereinafter referred to as the said liabilities).
 - iii) Without prejudice to the generality of Subclause (i) above the undertaking of the transferor company shall include all the transferor company's reserves, provisions, funds, moveable and immovable properties, assets including investments, claims, powers, authorities, allotments, approvals, consents, registrations, contracts, enactments, arrangements, rights, titles, interest, benefits, advantages, leasehold rights and other intangible rights, Industrial and other licences, permits, authorisations, quota, right, trade marks, patents, brands, secret formulae, drawings, research rights and other Industrial Intellectual properties, Imports, telephone/facsimile/telex and other communication facilities and equipments including Computers, Hardwares, Softwares, and other electronic equipments and instruments, system of any kind whatsoever, rights and benefits of all agreements and other interests including rights & benefits under various schemes of different Taxation Laws as may belong to or be available to the Transferor Company rights and powers of every kind, nature and description of whatsoever probabilities, liberties, easements, advantages, and approval of whatsoever nature and where soever situated, belonging to or in ownership, power or possession of control or entitlement of the Transferor Company.
- (g) The Scheme means This Scheme of Amalgamation in its present form submitted to the High Court of Judicature at Ahmedabad for sanction with any modification(s), approved or imposed or directed by the said High Court.
- (h) 'SHARE CAPITAL': The Authorized share Capital of the Transferor Company i.e. MLPL as on 31-3-1999 is Rs. 1,00,00,000/- (Rupees One Crore Only) consisting of 9,00,000 (Nine Lakhs Only) Equity Shares of Rs. 10/- each and 10,000 Redeemable Cumulative Preference Shares of Rs. 100/- each. The issued, subscribed and paid-up capital of the Transferor Company is Rs. 26,00,000 (Rupees Twenty Six Lakhs Only) consisting of 2,60,000 (Two Lakhs Sixty Thousand Only) Equity Shares of Rs. 10/- each fully paid-up. Of the above shares 70,451 (Seventy Thousand Four Hundred Fifty One Only) Equity Shares of Rs. 10/- (Rupees Ten Only) each allotted as fully paid-up without payment being received in Cash.
- The Authorized share Capital of the Transferee Company is Rs. 85,00,00,000 (Rupees Eighty Five Crores Only) consisting 2,50,00,000 (Two Crores fifty Lakhs Only) Equity shares of Rs. 10/- (Rupees Ten Only) each and 60,00,000 (Sixty Lakhs Only) Preference Shares of Rs. 100/- each. Issued & Subscribed Capital is Rs. 40,21,48,330 (Forty Crores Twenty One Lakhs Forty Eight Thousand Three Hundred Thirty Three Only) comprising of 1,52,14,833 (One Crore fifty Two Lakhs

Fourteen Thousand Eight Hundred Thirty Three Only) Shares of Rs. 10/- (Rupees Ten Only) each fully called up.

Less calls unpaid Rs. 18,900 (Rupees Sixteen Thousand Nine Hundred Nine Only)

Out of the above Shares 35,92,500 (Thirty Five Lakhs Ninety Two Thousand Five Hundred Only) Equity Shares of Rs. 10/- (Rupees Ten Only) each were allotted as fully paid-up Bonus Shares by Capitalisation of Share Premium Account and Profit and Loss Account and 4,13,633 (Four Lakhs Thirteen Thousand six Hundred Thirty Three Only) Equity shares of Rs. 10/- each fully paid-up were allotted to Shareholders of erstwhile Tamilnadu Datta Pharmaceutical Ltd, pursuant to Scheme of Amalgamation, without payment being received in cash.

The Transferee Company has issued and allotted during November, 1998 on Private Placement basis 25,00,000 (Twenty Five Lakhs Only) 10.5% Redeemable Cumulative Non Convertible Preference Shares of Rs. 100/- (Rupees One Hundred Only) each amounting to Rs. 25,00,00,000/- (Rupees Twenty five Crores Only).

2. TRANSFER OF UNDERTAKING :

(a) With effect from the Appointed date and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the undertaking of the Transferor Company shall, without any further act or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to or vested in the Transferee Company pursuant to the provisions of Section 394 and other applicable provisions of the Act.

(b) The Transfer vesting as aforesaid shall be subject to existing charges/hypothecation/mortgage or encumbrance (if any as may be subsisting) over or in respect to the said assets/undertakings or any part thereof, provided however any reference in any security documents or arrangements, to which the Transferor Company is a party, relating to the assets of the Transferor Company offered or agreed to be offered as security in any financial assistance or obligations, to the secured creditors of the Transferor Company shall be construed as reference only to the assets pertaining to the Undertaking of the Transferor Company as are vested in the Transferee Company by virtue of the aforesaid Clause to the end and intent that such securities, mortgages and charges do not extend or be deemed to extend to any of the assets or to any other Units or Divisions of the Transferee Company unless specifically agreed to by the transferee Company, with such secured creditors and subject to the consent and approvals of the existing creditors of the Transferee Company.

PROVIDED ALWAYS THAT the Scheme shall not operate to enlarge any securities for any loan, deposit or facility created by or available to the Transferor Company, which shall vest in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be obliged to create any further or additional security therefor and after the amalgamation is effective or otherwise.

(c) It is expressly provided that in respect of such of the assets of the Undertakings as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery the same shall be so transferred by the Transferor Company and shall become the property of the Transferee Company in pursuance of the provisions of Section 394 of the Act, as an integral part of the undertaking.

(d) In respect of all such of the assets other than those of Sub para (c) above, without any further act, instrument or deed, be transferred, to and vested in and/or be deemed to be transferred to and vested in the Transferee Company in pursuance to the provisions of Section 394 of the Act, as an integral part of the undertaking.

(e) It is clarified that as far as any unsecured deposits of the Transferor Company are concerned, the same shall be kept distinctly identified in the records of the Transferee Company for all intents and purposes including accounting and shall not be combined under any existing deposit scheme of the Transferee Company.

As on the appointed Date, and subject to any corrections and adjustments as may, in the opinion of the Board of Directors of the Transferee Company be required, the reserves of the Transferor Company will be merged with those of the Transferee Company in the same form as appeared in the financial statement of the Transferor Company.

The preferences between the amount recorded as fresh share capital issued by the Transferee Company on amalgamation and the amount of the share capital of the Transferor Company will be reflected in the Reserve (c) of the Transferee Company.

Further, in case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the amalgamation will be quantified and adjusted as may be decided by the Board of Directors of the Transferee Company in the Revenue Reserve (s) as mentioned earlier to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistency in the accounting policy.

With effect from the appointed date, and subject to the provisions of this Scheme, the said liabilities shall also be and shall stand transferred or deemed to have been transferred without any further act, instrument or deed to the Transferee Company, pursuant to the provisions of Section 394 of the Act, so as to become as and from the Appointed date, the debts, liabilities, duties and obligation 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.

An amount equal to the balance lying to the credit of 'Profit and Loss Account' in the books of the Transferor Company shall be credited by the Transferee Company's free reserve as effectively as if the same was created by the Transferee Company out of its own earned and distributable profits.

3. OPERATIVE DATE OF THE SCHEME :

This Scheme, though effective from the Appointed date shall be operative from effective date.

4. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY TILL EFFECTIVE DATE :

With effect from the Appointed Date, and upto the Effective Date :

The Transferor Company shall carry on or be deemed to have carried on all its business and activities and shall be deemed to have held or extend possessed of and shall hold and possessed of all the said Assets for and an account of and in trust for the Transferee Company.

All the profits or income accruing or arising to the Transferor Company or expenditure or losses arising or incurred by the Transferor Company shall for all purpose be treated and be deemed to be and accrued as the profits and income or expenditure or losses of the Transferee Company, as the case may be.

The Transferor Company shall carry on its business activities with reasonable diligence, business prudence and shall not alienate, charge, mortgage, encumber or otherwise deal with the said assets or any part hereof except in the ordinary course of business or pursuant to any pre-existing obligation undertaken by the Transferor Company prior to the Appointed Date except with prior written consent of the Transferee Company.

Provided that as far as the obligations referred as above are concerned, the restrictions thereunder shall be applicable from the date of the acceptance of the present Scheme by the respective Board of Directors of the Transferor and Transferee Company even if the same is prior to the Appointed date.

The Transferor Company shall not vary the terms and conditions and employment of its permanent employees except in ordinary course of business.

The Transferor Company shall not, without prior written consent of the Transferee Company, undertake any new business.

The Transferor Company shall not, without prior written consent of the Transferee Company, take any major policy decisions in respect of management of the Company and for the business of the Company and shall not change its present capital structure.

5. LEGAL PROCEEDINGS :

All suits, claims, actions and proceedings by or against the Transferor Company pending and/or arising on or before the date on which this Scheme shall finally take effect shall be continued and enforced by the Transferee Company as effectively as if the same has been pending or arising against the Transferee Company.

6. CONTRACTS, DEEDS AND OTHER INSTRUMENTS :

Subject to all the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be 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.

7. **ISSUE OF SHARES BY THE TRANSFEREE COMPANY :**

Upon the Scheme becoming finally effective, in consideration of the transfer and vesting of Undertaking of the Transferor Company in the Transferee Company in terms of the Scheme, the Transferee Company shall subject to the provisions of the Scheme and without any further application, act or deed, issue and allot at par 4 (Four) Equity Shares of Rs.10/- (Rupees Ten Only) each credited as fully paid-up in the Capital of the Transferee Company to the members of the Transferor Company whose names appear in the Register of Member of the Transferor Company on a date (Record Date) to be fixed by the Board of Directors of the Transferee Company for every 5 (Five) Equity shares of the face value of Rs.10/- (Rupees Ten Only) each fully paid-up credited as paid-up and held by the said members or their heirs, executors, administrators or their legal representatives as the case may be, in the Transferor Company.

The said new Equity Shares shall rank for voting rights and all other respect pari-passu with the Equity Shares of the Transferee Company, including proportionate entitlements to dividend in respect of all dividends declared after the Appointed Date.

No fractional Coupons shall be issued by the Transferee Company in respect of the fractional share entitlements, if any to which the members of the Transferor Company may be entitled on issue of Equity Shares of the Transferee Company as aforesaid. The Directors of the Transferee Company shall instead consolidate all such fractional entitlements to which the members of the Transferor Company may be entitled on issue and allotment of the Equity Shares of the Transferee Company as aforesaid and thereupon issue and allot Equity Shares in lieu thereof to a Director or an officer of the Transferee Company with the express understanding that such Director or officer to whom such Equity Shares are to be allotted shall sell the same in the market at the prevailing available price and pay to the Transferee Company the net sales proceeds thereof. Whereupon the Transferee Company shall distribute such net sales proceeds to the members of Transferor Company in proportion to their fractional share entitlement.

For the purpose as aforesaid the Transferee Company shall, if and to the extent required, apply for and obtain the requisite consent (s) and approval (s) of appropriate authorities concerned for issue and allotment by the Transferee Company to the respective members of the Transferor Company of the Equity Shares in the said re-organised share capital of the Transferee Company in the ratio as aforesaid.

The issue and allotment of 2,08,000 (Two Lakh Eight Thousand Only) Equity Shares in the Transferee Company to the members of the Transferor Company as provided in the Scheme shall deemed to have been carried out by following the procedure laid down under section 81 (1A) and other applicable provisions of the Act.

Upon issuance and allotment of the Equity Shares by Transferee Company to the members of the Transferor Company as provided in the Scheme, the existing Equity Shares held by the members of the Transferor Company shall automatically stand cancelled/extinguished.

Upon coming into effect of this Scheme, the borrowing limits of the Transferee Company in terms of Section 293 (1) (d) of the Act, shall without further act or deed stand enhanced by an amount equivalent to the authorised borrowing limits of the Transferor Company, such limits being incremental to the existing limits of the Transferee Company. These limits as enhanced may be increased from time to time by the Transferee Company by obtaining sanction of its shareholders in accordance with the provisions of the Act.

Equity Shares of the Transferee Company issued in terms of Clause above, shall subject to applicable regulation, be listed and/or admitted to trading on the relevant Stock Exchanges, whether in India or abroad, where the Equity Shares of the Transferee Company are listed and/or admitted to trading upon the Scheme becoming effective.

8. **DIVIDEND, PROFIT, BONUS RIGHT SHARES :**

At any time upto the Effective Date

(a) The Transferor Company and the Transferee Company shall not declare or pay dividends which are interim or final to the respective members relating to any period commencing on or after the Appointed Date unless agreed to by the Board of Directors of the Transferor Company and the Transferee Company.

(b) The Transferor Company and the Transferee Company shall not issue or allot any right shares, or Bonus shares or any other security converting into Equity, unless agreed to by the Board of Directors of the Transferor Company and the Transferee Company.

9. **TRANSFEROR COMPANY'S EMPLOYEES :**

All permanent Employees of the Transferor Company in service on the Effective Date, shall become the 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.

It is expressly provided that as far as Provident Fund, Gratuity Fund, Superannuation Fund or any other special funds/Scheme(s) created or existing for the benefit of the employees of the Transferor Company are concerned, upon the scheme becoming officially effective, the Transferee Company shall stand substituted for the transferor Company for all purpose whatsoever related to the administration or operation of such Scheme (s) Fund(s) or in relation to the obligation to make contribution to the said Schemes/funds in accordance with the provisions of such Schemes/Funds as per the terms provided in the respective Trust Deeds. It is the end intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such fund shall become those of the Transferee Company. It is clarified that the service of the employees of the Transferor Company will be treated as having been continuous without any break or interruption for the purpose aforesaid Schemes/Funds. It is however, clarified that the Transferee Company shall be eligible and entitled to effect the transfer of the employees of the Transferor company in ordinary and usual course of business and subject to business prudence the Board of Directors of the Transferee Company shall be eligible to re-assess and to re-allocate any of the activities undertaken by the employees of the Transferor Company.

10. **DISSOLUTION OF THE COMPANY :**

The Transferor Company shall be dissolved without winding up on an order made by the High Court of Ahmedabad under Section 394 of the Companies Act.

11. **APPLICATION TO THE HIGH COURT :**

The Transferor company with all reasonable despatch, make applications/petitions under Sections 391 and 394 and other applicable provisions of the Act to the High Court of Judicature at Ahmedabad for sanctioning of this Scheme and for dissolution of the Transferor Company without winding up under the provisions of the Act.

The Transferee Company shall also with reasonable despatch make applications/petitions Under Sections 391 and 394 and other applicable provisions of the Act to the High Court Ahmedabad for sanctioning of the Scheme under the provisions of the Act.

12. **MODIFICATIONS, AMENDMENTS TO THE SCHEME :**

The Transferor Company (by its Directors) and Transferee Company (by its Directors) may assent from time to time on behalf of persons concerned to any modifications/amendments to this Scheme or any conditions or limitations which the High Court at Ahmedabad or any authorities under the Law may deem fit to approve or impose and to resolve any doubt or difficulties that may arise for carrying out the Scheme and to do and execute all such acts, deeds, matters and things necessary for putting the Scheme into effect.

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

13. **SCHEME CONDITIONAL UPON APPROVALS / SANCTIONS :**

This Scheme is specifically conditional upon and subject to

- (a) approval of and agreement to the Scheme by the requisite majorities of such Classes of person of the Transferor Company and Transferee Company as may be directed by the High Court of Judicature at Ahmedabad on the applications made for directions under Section 391 of the Act for calling meetings and necessary resolutions being passed under the Act for the purpose.
- (b) the sanctions of the High Court of Judicature at Ahmedabad being obtained under Sections 391 and 394 and other applicable provisions of the Act, if so required on behalf of the Transferor Company and Transferee Company.
- (c) approval of lenders, if and to the extent required and
- (d) approval, if required for debentures/other similar securities if such approval is necessary under the terms of issue thereof.

14. EFFECTIVE DATE OF THE SCHEME :

This Scheme although to come into operation from 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 sections 391 and 394 of the Act are duly filed with the Registrar of Companies of Gujarat, Dadra & Nagar Haveli and such date shall be referred to as Effective Date for the purpose of the Scheme.

15. EFFECT OF NON-RECEIPT OF APPROVAL / SANCTION :

In the event of any of the said sanctions and approvals referred to the preceding Clause No. 12 and 13 above not being obtained and/or the Scheme not being sanctioned by the High Court and/or the Order(s) not being passed as aforesaid before 31-12-1999 or within such further period (s) as may be agreed upon from time to time between the Transferor Company (by its Directors) and the Transferee Company (by its Directors) and the Board of the Directors of both the companies 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 their respective delegates, this Scheme 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 rights, obligations 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 and or otherwise arise as per Law.

16. EXPENSES CONNECTED WITH THE SCHEME :

All costs, charges and expenses of the Transferor or Company and the Transferee Company respectively in relation to or in connection with or any incidental to this Scheme shall be respectively borne by the Transferor and Transferee Companies.

TRUE COPY

Dated this 12th Day of February, 1999.

Witness Chunilal Karsandas Thakkar Esquire,

the Acting Chief Justice at Ahmedabad

aforesaid this 12th day of February

One thousand Nine Hundred Ninety Nine.

Sd/

Advocate

By the order of the Court

Joint Registrar

this 12th day March 1999

Order drawn by :

(Saurabh N. Soparkar)
Advocate

Sealer

This 12th day of March 1999

AMALGAMATION

OF

GUJARAT LYKA ORGANICS LIMITED

WITH

SUN PHARMACEUTICAL INDUSTRIES LTD

BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION
CASE NO.320/98 IN RE: M/S. GUJARAT LYKA ORGANICS LTD.(GLOL)

SUMMARY RECORD OF PROCEEDINGS OF THE HEARING HELD ON
27-3-2000 AT 11.00 AM BEFORE THE BENCH CONSISTING OF S/SHRI
N.R. BANERJI AND T. P. SRIDHARAN, MEMBERS.

BENCH - III

<u>Present</u>	<u>Name and Designation of the Representatives</u>
	S/Shri
1. Gujarat Lyka Organics Ltd (GLOL)d	i) R.K.Baheti, Director ii) A.H.Khan, Resident Rep. iii) M.Lodha, C.A.
2. State Bank of India	V.L.Sarpotdar, AGM
3. ICICI	Amitabh Singhanian, AM
4. Govt. of Gujarat	Subhash C. Jaitly, Dy. Mgr.
5. M/s. Sun Pharmaceutical Industries Ltd (SPIL)	R. K. Baheti, V. P. Finance

The Bench recalled that vide its order dated 5/1/2000 a Draft Rehabilitation Scheme (DRS) for the revival of M/s. Gujarat Lyka Organics Ltd was circulated to all concerned for consent as required u/s 19(2) read with Section 19(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 (hereinafter referred to as the 'Act') inviting objections/suggestions thereto. The short particulars of the said scheme were accordingly published in two local dailies in the State of Gujarat. The objections / suggestions were to be heard today.

2. Shri - Amitabh Singhanian, A.M. representing the OA (ICICI) submitted that they had not received any objections/suggestions to the DRS circulated by the Hon'ble Board.

3. Shri V. L. Sarpotdar, AGM representing SBI submitted that they were agreeable to participate in the DRS circulated by the Hon'ble Board.

4. Shri Subhash C. Jaitly, Dy. Mgr. (GIIC) representing the Govt. of Gujarat submitted that the company had asked the Govt. to extend the repayment of installments of interest from sales tax loan already availed for a period of 5 years without interest from the cut-off date of September 30, 1999 of the scheme for the balance outstanding in respect of the existing sales tax loan of Rs. 33,33,333 as on September 30, 1999. There was, however, no provision for such a relief in the relative guidelines of the State Govt. As such they were unable to agree to the same. Further, the company had asked to grant waiver of interest and penalty on late payment to Gujarat sales tax, purchase tax and central sales tax, if any. There was also no provision for such a relief in the relative guidelines of the State Govt. As such they were unable to agree to the same. Further the company had requested to agree to grant exemption from payment of sales tax on purchase/sale of raw materials, chemicals, other inputs and finished products of the company during the rehabilitation period of the sanctioned scheme from the cut off date Sept'30, 1999 till March 31, 2003. The exemption from State Govt. tax was not available. However, the Govt. would consider to grant deferment of sale tax, purchase tax, and electricity duty subject to the conditions : (i) arrears of past dues of State Govt. tax were cleared; (ii) financial sacrifices from the state Govt. were less than the financial sacrifices from other agencies; (iii) the reliefs in question were for the success of rehabilitation package. Further, the company had requested to grant exemption from payment of electricity duty on electricity purchased and self generated, if any, and sales tax thereon during the rehabilitation period from the cut-off date of Sept'30, 1999 till March 31, 2001. There was however, no provision for such a relief in the relevant guidelines of the State Govt., as such they were unable to agree to the same. Further, the company had also requested to exempt the unit from power cuts as applicable to normal units. The State Govt. would consider to grant relaxation from power cuts to the sick Industrial company in the following manner :-

- (i) To 25% when the declared restriction on maximum demand was upto 49%
- (ii) To 35% when, the declared restriction on maximum demand was 50%.
- (iii) To 50% when the declared restriction on maximum demand was more than 50%.

4.1 Further the company had also requested the Govt. to assist the unit in reaching an agreement with the labour through the Labour Deptt. Depending on the merits of the case, assistance would be considered by the Labour Deptt. for reasonable settlement with labour unions so as to ensure success of rehabilitation package with the co-operation of Industrial Workers.

5. Shri M. Lodha, C.A. representing the company submitted that they were already in touch with the Govt. of Gujarat (GOG) who had agreed to reconsider the reliefs and concessions sought for by the company sympathetically. On a specific query from the Bench Shri Lodha submitted that in case the GOG did not extend the reliefs and concessions asked for by them, they would be bringing in additional funds to meet the short fall. Further, they had already entered into a long term agreement with the labour. They were also not asking for any sacrifices to be made by the labour and after merger with M/s. Sun Pharmaceutical Industries Ltd. (SPIL), the terms and conditions of employment of the labour would not be less than what they were in GLOL. Continuing Shri Lodha submitted that the DRS already approved by the shareholders of SPIL at its Annual General Meeting held on 29/12/99 envisaged that one equity share of Rs. 10/- each of SPIL for every 64 equity shares of Rs. 10/- each of GLOL was to be allotted to the members of GLOL on merger/amalgamation with SPIL. As per one of the conditions of the DRS the share exchange ratio would be suitably modified in case SPIL issued any shares by way of Bonus issue or Rights issue between the transfer date i.e. 1/4/99 and date of allotment of SPIL's shares to the shareholders of GLOL. The members of SPIL had at its Extra Ordinary General Meeting held on 3/3/2000 approved the issue of Bonus equity shares in the ratio of two Bonus equity shares for every one equity share held by the member(s) of SPIL as on the Record Date i.e. 23/3/2000. In view of the foregoing, SPIL would be issuing one equity share of SPIL for every 21.33 equity shares of GLOL held by shareholder(s) of GLOL or in the ratio in which Hon'ble BIFR determined on sanction of the merger/amalgamation of GLOL with SPIL.

6. On consideration of the facts on record and the submissions made at today's hearing, the Bench noted that there were no objections to the Draft Scheme circulated by the Board. The Bench also noted that all parties concerned had given their consent u/s 19(2) of the Act to the various provisions in the DRS. Accordingly, in exercise of the powers conferred u/s 18(4) of the Act read with Section 19(3) of the Act, the Bench sanctioned the scheme circulated vide Bench order dated 5/1/2000 (herein after

called the 'Sanctioned Scheme'). A copy of the scheme is enclosed which would come into force with immediate effect. The Bench also directed the GOG to reconsider their stand, sympathetically especially regarding waiver of interest and penalty on late payment and communicate their decision to the OA/ BIFR/ company at the earliest.

sd/-

(T. R. SRIDHARAN)
MEMBER

sd/-

(N. R. BANERJI)
MEMBER

Dated: 27/3/2000



Certified to be True Copy

Sd/-

Bench Officer

Board for Industrial & Financial Reconstruction.

MERGER SCHEME OF GUJARAT LYKA ORGANICS LIMITED WITH SUN PHARMACEUTICAL INDUSTRIES LIMITED

In this scheme unless inconsistent with the subject or context, the following expressions shall have the following meanings: -

"The Transferor Company" means Gujarat Lyka Organics Limited (GLOL), a Company incorporated under the provisions of the Indian Companies Act, 1956 having its Registered Office at Plot No. 4708, GIDC Industrial Estate, Ankleshwar - 393002, Gujarat.

"The Transferee Company" means Sun Pharmaceutical Industries Limited (SPIL), a Company incorporated under the provisions of Indian Companies Act, 1956 having its Registered Office at Synergy House, Gorwa Road, Subhanpura, Vadodara - 390 007, Gujarat.

"The Act" means the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA);

"The BIFR" means the Board for Industrial and Financial Reconstruction constituted under Section 4 of the Sick Industrial Companies (Special Provisions) Act, 1985.

"The Cut Off Date" : The date for reliefs and concessions as envisaged in the scheme to be effective. However, for the purpose of calculations, we have assumed the Cut Off Date as September 30, 1999.

"The Transfer date/ Date of Amalgamation" means the 1st of April, 1999.

Gujarat Lyka Organics Limited (GLOL)'s shareholders means the persons who are registered on the Register of Members of the Transferor Company as the holders of the issued equity Capital of the Transferor Company as on such date after the Transfer Date (hereinbefore defined) as the Board of Directors of the transferee Company may determine;

"The Effective Date" means the date on which the last of the approvals specified in Clause E of this scheme are obtained.

The Authorised Share Capital of the Transferor Company is Rs.160000000 divided into 16000000 equity shares of Rs.10/- each and Rs.5000000 divided into 50000 Pref. Shares of Rs.100/- each. The issued subscribed and paid up capital is Rs.159000000 divided into 15900000 equity shares of Rs.10/- each as on March 31, 1999.

As on March 31, 1999, the Authorised Share Capital of the Transferee Company is Rs.85,00,00,000/- divided into 2,50,00,000 equity share of Rs.10/- each and 60,00,000 Preference shares of Rs.100/- each. The issued and subscribed equity share capital is Rs.1542,28,330 divided into 154,22,833 equity shares of Rs.10/- each and 50,17,500 10.5% cumulative redeemable Pref. Shares of Rs.100/- each aggregating to Rs.50,17,50,000/-. The unpaid call money as on March 31, 1999 amounted to Rs.0.2 lacs. The paid up share capital is Rs.6559,61,330/- as on March 31, 1999.

"The Financial Institutions and Banks" means the ICICI Limited and State Bank of India.

The Scheme

1. The undertaking of the Transferor Company shall, with effect from the Transfer date and without any further act or deed be deemed to have been transferred to and vested in the Transferee Company pursuant to an order to that effect by the BIFR for all the estates and interests of the Transferor Company but subject nevertheless to all charges, if any, then affecting the same or any part thereof and as on the Transfer date, the Transferor Company shall be deemed to have been amalgamated with the Transferee Company.
- 2a. For the purpose of the scheme, the undertakings of the Transferor Company shall include:
 - i) All the assets and properties of the Transferor Company as on transfer date.
 - ii) Subject to the provisions of Clause 9 hereinafter, all the liabilities of the Transferor Company as on transfer date.
- 2b. Without prejudice to the generality of sub-clause (a) hereof the undertakings of the Transferor Company shall include all rights, privileges powers and authorities and all properties moveable or immovable, real, corporeal or incorporeal in possession or reversion, present or contingent or whatsoever nature and wheresoever situate including in particular all licences and liberties, patents, trade marks and import quotas held by or applied for by the Transferor Company or to which the Transferor Company is entitled and subject to what is stated in Clause 9 hereinafter, all debts, liabilities and duties whatsoever kind including liabilities for payment of gratuity, pension benefits, provident fund or compensation in the event of retrenchment. Provided always that the scheme shall not operate to enlarge the security for any loan deposit of facility created by or available to the Transferor Company which shall vest in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be obliged to create any further or additional security thereof after the amalgamation has become effective or otherwise.
- 2c. If any suit or appeal or other proceedings of whatsoever nature (hereinafter called the proceedings) by or against the Transferor Company be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the undertaking of the Transferor Company to the Transferee Company or of anything contained in the scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as if this scheme has not been made.
- 3a. The transfer and vesting of the property and liabilities under Clauses 1 & 2 hereof and the continuance of the proceedings by the Transferor Company under Clause 3 hereof shall not affect any transactions or proceedings already concluded by the Transferor Company in the ordinary course of business on or after the transfer date to the end and intent that the Transferee Company accepts on behalf of itself all acts, deeds and things done lawfully and executed by the Transferor Company.

- 3b. As from the transfer date, the Transferor Company shall be deemed to have carried on and to be carrying on its business on behalf of and on account of and in trust for the Transferee Company until such time as the amalgamation becomes effective in terms of this scheme.
- 3c. As from the transfer date, the Transferor Company shall carry on business of the Transferor Company until the amalgamation becomes effective with utmost prudence and shall not without the concurrence of the Transferee Company alienate, charge or otherwise deal with the property or assets of the Transferor Company or any part thereof except in the ordinary course of business.
4. Subject to the other provisions contained in this scheme all lawful contracts, deeds, bonds, agreements and other instruments of whatever nature to which the Transferor Company is a party subsisting or having effect immediately before the amalgamation shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and as effectively as if instead of the Transferor Company, the Transferee Company had been a party thereto. However, the clauses relating to convertibility of amounts into equity, appointment of one or more Directors, Director/Manager, Key Officials, Technical Consultants, Chartered Accountants, declaration and/or payment of dividends, raising, borrowing and/or redeeming of loans, credits and investments creation of debentures and fresh capital, appointment of agents or distributors, management take over by the Lender, right sale of assets by the Lender and such other restrictive covenants contained in the Agreements with or correspondence exchanged between the Transferor Company and its banks and/or financial institutions shall be relaxed, subject to no incidence of default by the Transferee Company to the secured lender(s).
5. All permanent employees of the Transferor Company who are in the employment of the Transferor Company on the Effective Date in terms of this scheme shall, as from such date, become the employees of the Transferee Company, on the basis that their services do not stand interrupted by vesting of the undertaking of the Transferor Company in the Transferee Company under this scheme and the terms and conditions of service applicable to such employees on the Effective Date is in no any way less favourable to them than those applicable to them immediately before the transfer date. The Transferee Company, however, shall also have the right to exercise an option if warranted to transfer such number of workers to any other unit of Transferee Company as may be deemed necessary.
6. Upon the transfer of the undertakings of the Transferor Company, pursuant to Clause 1 hereof and the amalgamation becoming effective in terms of this scheme, the consideration in respect of such transfer shall be subject to the provisions of this scheme be settled by the Transferee company as follows :
- i) The Transferee Company shall issue at par and allot to the Gujarat Lyka Organics Limited (GLOL) shareholders in the Transferee Company, share in the proportion of one share of the face value of Rs.10/- each of the Transferee Company credited as fully paid up for 64 equity shares of the face value of Rs.10/- each held by the equity shareholders of the Transferor Company on such date after the Transfer Date as the Board of Directors of the Transferee

Company may determine. However, the shares held by the Transferee Company in the Transferor Company will be cancelled and extinguished and no shares of Transferee Company shall be issued in exchange of the shares held by the Transferee Company. The share exchange ratio will be suitably modified in case, the Transferee Company issues any shares by way of bonus issue or rights issue between the transfer date and the date of allotment of the Transferee Company's shares to the shareholders of the Transferor company.

- ii) As a result of the allotment in the manner specified hereinabove, if any Equity Shareholder of the Transferor Company become entitled to any fractional coupon/s of equity shares of the Transferee Company no such fractional coupon/s shall be issued in respect of or representing such equity shares of the transfer Company but such fractions coupon/s shall be consolidated into whole equity shares and the Board of Directors of the Transferee Company may allot any one or more of such consolidated shares to any nominee(s) as the Board of Directors may in their absolute discretion deem fit for the purpose of holding and selling of such consolidated equity shares. Every such sale of the consolidated equity shares shall be at such price or price as may be the purchase price in respect of such sale (provided the Board of Directors approve the purchaser) the Board of directors shall allot the equity shares to the approved purchaser/s. The total net sale proceeds of such consolidated Equity share after defraying therefrom all costs, charges and expenses of sale or sales shall be distributed and divided among such equity shareholders of the Transferor Company as would otherwise have been entitled to such fraction of the equity shares of the Transferee Company in proportion to their respective interest in such fractions. However, holders of less than 64 equity shares in the Transferor Company shall not be entitled to any shares in the Transferee Company, but shall only receive the net sale proceeds in respect of their fractional entitlement as above.
- iii) Equity shares so allotted by the Transferee Company to the member(s) of the Transferor Company will in all respects rank pari-passu with the existing equity shares of the Transferee Company for dividend and voting rights. Save and except that the owners of such equity shares shall be entitled to dividend declared and paid by the Transferee Company only after the record date for the purpose of allotment of Transferee Company's shares to the member(s) of the Transferor Company pursuant to the approval of the scheme.
- iv) The Transferee Company holds 56,69,560 equity shares in the Transferor Company. On amalgamation, the shares held by the Transferee Company in the Transferor Company would be cancelled and extinguished and all other members of the Transferor Company whose names appears in the register of members at the Transferor Company on such date after the effective date as the Board of Directors may determine shall surrender to the Transferor Company for cancellation of their share certificates in respect of the equity shares held in the Transferor Company and the Transferee Company shall issue to them certificates for equity shares in the Transferee Company to which they may be entitled in terms of this scheme and every such shareholder of the Transferor Company shall take all steps to obtain from the Transferee Company to which he is entitled to hereunder. Upon the new equity shares being issued and allotted by the Transferee Company to the members standing on the Register of Members of the Transferor Company on

the aforesaid date, share certificates in respect of the shares held by them in the Transferor Company shall be deemed to stand cancelled.

The Transferee Company shall, if not already empowered, pass a Special Resolution pursuant to Section 81 (1A) of the Companies Act, 1956 for the offer and allotment of equity shares in the Transferee Company to Transferor Company's shareholders in accordance with and subject to the provisions of this scheme.

7. All reserves (including Investment Allowance Reserve) of the Transferor Company as at Transfer Date shall be deemed to have been transferred to the Transferee Company.
8. The reliefs/concessions/commitments/obligations and the repayment of the dues of the Banks and Financial Institutions by the Transferee Company shall be governed by the main rehabilitation scheme.
9. This scheme is conditional upon the following approvals and the amalgamation shall be deemed to be effective on obtaining last of the following approvals :-
 - i) Approval of the scheme by a Special Resolution passed by the shareholders of the Transferee Company.
 - ii) Approval to the issue and allotment of the equity shares in the Transferee Company to equity shareholders of the Transferor Company, in accordance with and subject to the provisions of this scheme by a Resolution of the Transferee Company pursuant to Section 81(A) of the Companies Act, 1956.
 - iii) Approval and declaration under Section 72A(I) of the Income Tax Act, 1961 by BIFR.
 - iv) Approval of the Reserve Bank of India for issue and allotment of shares in the Transferee Company to nonresident shareholders, if any, of the Transferor Company.
10. Upon this scheme being sanctioned as aforesaid the Transferor Company shall stand dissolved without winding up on such Effective Date.
11. All costs, charges and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with the negotiation leading to this scheme of carrying out and completing the terms and provisions of this scheme and/or incidental to the completion of the amalgamation of the Transferor Company in pursuance of this scheme shall be borne and paid by the Transferee Company.

12. For the purpose of giving effect to this scheme the Board of Directors of the Transferee Company are authorised to give such directions as may be necessary or desirable and to settle, as they may deem fit, any questions, doubts or difficulty that may arise in connection with or in the working of the scheme including with regard to issue and allotment of shares under Clause hereof to the members of the Transferor Company and deeds and things necessary for carrying into effect this scheme.
13. A copy of the BIFR order sanctioning the Scheme of Amalgamation to be filed with the Registrar of Companies, Gujarat within one month from the date of the order sanctioning the scheme is received by the Transferee Company.

AMALGAMATION
OF
SUN PHARMACEUTICAL EXPORTS LTD
WITH
SUN PHARMACEUTICAL INDUSTRIES LTD

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

(ORIGINAL JURISDICTION)

COMPANY PETITION No. 229 of 2000

connected with

COMPANY APPLICATION No. 250 of 2000

In the matter of:

Sun Pharmaceutical Industries Limited,
a Company registered under the Companies Act,
1956 and having its registered office at
SPARC, Akota Road, Akota, Vadodara 390 020 in
the state of Gujarat.

Sun Pharmaceutical Industries Limited.
a Company registered under the Companies
Act, 1956 and having its registered office
at SPARC, Akota Road, Akota, Vadodara 390
020 in the state of Gujarat.....Petitioner

BEFORE HONOURABLE MR. JUSTICE K.R.VYAS

Date : 16th November, 2000

ORDER ON PETITION

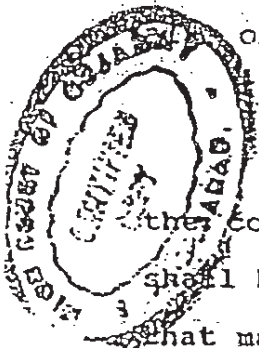
The above petition coming on for hearing on
15th November 2000 upon reading the said petition, the order
dated 19.7.2000 in the Company Application No. 250 of 2000
whereby the petitioner was directed to convene separate
meetings of the Equity and Preference Shareholders of the
above Company for the purpose of considering, and if thought
fit, approving, with or without modification the compromise
or arrangement proposed to be made between the said Company
and its shareholders in the matter of Amalgamation of Sun
Pharmaceutical Exports Limited with the petitioner-company
and annexed to the affidavit of Shri R. K. Baheti filed on
the 17.7.2000 and 'The Indian Express' English Daily -Vado-
dara Edition dated 28.7.2000 and 'Loksatta' Gujarati Daily
-Vadodara Edition dated 28.7.2000 containing each the adver-
tisement of the said notice convening the said meetings

direction to be held by the said order dated 19.7.2000, the affidavits of Shri Dilip S. Shanghvi filed on 7.8.2000 showing the application and despatch of the notices convening the said meetings, the reports dated 31.8.2000 filed by Shri Dilip S. Shanghvi, the chairman of the said meetings dated 25.8.2000 as to the result of the said meeting, and upon hearing Mrs. Swati S. Soparkar, Advocate for the petitioner Company and Shri Akshaybhai Mehta, Senior Standing Counsel appearing for the Central Government and it appearing from the reports that the proposed compromise or arrangement has been approved unanimously by the Equity and Preference shareholders of the company present at the meeting.

This Court doth hereby sanction the compromise or arrangement set forth in para 8 of the petition herein and in the Schedule hereto and doth hereby declare the same to be binding on the shareholders of the abovenamed company and on the abovenamed company.

And this Court doth further order that parties to the compromise or arrangement or other persons interested shall be at liberty to apply to this Court for any directions that may be necessary in regard to the working of the compromise or arrangement, and

That the said Company do file with the Registrar of the Companies a certified copy of this order within 30 days of the receipt of the same, and



This Court doth further order payment of Rs. 2,500/- in aggregate as the cost of this petition awardable to Smt. P.J.Davawala, Additional Central Government Standing Counsel, appearing for the Central Government.

SCHEDULES

Scheme of Compromise or Arrangement as sanctioned by the Court

Dated this 12th day of July 2001.



**SCHEME OF AMALGAMATION OF
SUN PHARMACEUTICAL EXPORTS LIMITED
WITH
SUN PHARMACEUTICAL INDUSTRIES LIMITED**

1. DEFINITIONS

In this Scheme unless inconsistent with the subject or context, the following expression shall have the following meanings :-

- (a) 'The Transferor Company' means Sun Pharmaceutical Exports Limited, a Company incorporated under the Companies Act, 1956 and having its Registered Office at Synergy House, Genwa Road, Subhanpura, Vadodara - 390 007.
- (b) 'The Transferee Company' means Sun Pharmaceutical Industries Limited, a Company registered under the Companies Act, 1956 and having its Registered Office at SPARC, Akota Road, Akota, Vadodara - 390 020.
- (c) 'The Act' means Companies Act, 1956 including any statutory modifications, re-enactments or amendments thereof.
- (d) 'The Appointed Date' means the commencement of 1st day of April, 2000.
- (e) 'The Effective Date' means the last of the dates on which the sanctions/approvals or orders as specified in Clause No. 14 of this Scheme have been obtained.
- (f) 'Undertaking' shall mean and include :
- i) All the assets of the Transferor Company as on the appointed date (hereinafter referred to 'the said Assets').
 - ii) All debts, liabilities, duties and obligations of the Transferor Company as on the appointed date (hereinafter referred to 'the said Liabilities').
 - iii) Without prejudice to the generality of Sub-clause (a) above the undertaking of the transferor company shall include all the transferor company's reserves, provisions, funds, moveable and immovable properties, assets including investments, claims, powers, authorities, allotment, approvals, consents, registrations, contracts, enactments, arrangements, rights, titles, interest, benefits, advantages, leasehold rights and other intangible rights, industrial and other licences, permits, authorisations, quota, rights, trade marks, patents, brands, secret formulae, drawings, research rights and other industrial intellectual properties, imports, telephone/facsimile/ telex and other communication facilities and equipments including Computers, Hardwares, Softwares, and other electronic equipments and instruments; system of any kind whatsoever, rights and benefits of all agreements and other interests including rights & benefits under various schemes of different Taxation Laws as may belong to or be available to the Transferor Company, rights and powers of every kind, nature and description of whatsoever probabilities, liberties, easements, advantages, and approval of whatsoever nature and wheresoever situated, belonging to or in ownership, power or possession or control or entitlement of the Transferor Company.
- (g) 'The Scheme' means this Scheme of Amalgamation in its present form submitted to the High Court of Judicature at Ahmedabad for sanction with any modification(s), approved or imposed or directed by the said High Court.

Sun Pharmaceutical Industries Limited

2. TRANSFER OF UNDERTAKING :

- (a) With effect from the Appointed date and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the undertaking of the Transferor Company shall, without any further act or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to or vested in the Transferee Company pursuant to the provisions of Section 394 and other applicable provisions of the Act.
- (b) With effect from the appointed date, and subject to the provisions of this Scheme, the said liabilities shall also be and shall stand transferred or deemed to have been transferred without any further act, instrument or deed to the Transferee Company, pursuant to the provisions of Section 394 of the Act, so as to become as and from the Appointed date, the debts, liabilities, duties and obligation 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.
- (c) (i) As on the appointed date, and subject to any corrections and adjustments as may, in the opinion of the Board of Directors of the Transferee Company be required, the reserves of the Transferor Company will be merged with those of the Transferee Company in the same form as appeared in the financial statement of the Transferor Company.

The differences between the amount recorded as fresh share capital issued by the Transferee Company on amalgamation and the amount of the share capital of the Transferor Company will be reflected in the Revenue Reserve(s) of the Transferee Company.

- (c) (ii) Further, in case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the amalgamation will be quantified and adjusted in the Revenue Reserve(s) as mentioned earlier to ensure that the financial statement to the Transferee Company reflects the financial position on the basis of consistency in the accounting policy.
- (c) (iii) An amount equal to the balance lying to the credit of Profit and Loss Account in the books of the Transferor Company shall be credited by the Transferee Company to its Profit and Loss Account and shall constitute the Transferee Company's free reserve as effectively as if the same was created by the Transferee Company out of its own earned and distributable profits.

3. CONTRACTS, DEEDS AND OTHER INSTRUMENTS :

Subject to all the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be 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.

4. LEGAL PROCEEDINGS :

All suits, claims, actions and proceedings by or against the Transferor Company pending and/or arising on or before the date on which this Scheme shall finally take effect shall be continued and enforced by the Transferee Company as effectively as if the same has been pending or arising against the Transferee Company.

Sun Pharmaceutical Industries Limited

5. OPERATIVE DATE OF THE SCHEME :

This Scheme, though effective from the Appointed date shall be operative from the effective date.

6. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY TILL EFFECTIVE DATE:

With effect from the Appointed Date, and upto the Effective Date :

- (i) The Transferor Company shall carry on or deemed to have carried on all its business and activities and shall be deemed to have hold or stood possessed of and shall hold and stand possessed of all the said Assets for and an account of and in trust for the Transferee Company.
- (ii) All the profits or income accruing or arising to the Transferor Company or expenditure or losses arising or incurred by the Transferor Company shall for all purpose be treated and be deemed to be and accrued as the profits and income or expenditure or losses of the Transferee Company, as the case may be.
- (iii) The Transferor Company shall carry on its business activities with reasonable diligence, business prudence and shall not alienate, charge, mortgage, encumber or otherwise deal with the said assets or any part thereof except in the ordinary course of business or pursuant to any pre-existing obligation undertaken by the Transferor Company prior to the Appointed Date except with prior written consent of the Transferee Company.

Provided that as far as the obligations referred as above are concerned, the restrictions thereunder shall be applicable from the date of the acceptance of the present Scheme by the respective Board of Directors of the Transferor and Transferee Company even if the same is prior to the Appointed date.

- (iv) The Transferor Company shall not vary the terms and conditions and employment of its permanent employees except in ordinary course of business.
- (v) The Transferor Company shall not, without prior written consent of the Transferee Company, undertake any new business.
- (vi) The Transferor Company shall not, without prior written consent of the Transferee Company, take any major policy decisions in respect of management of the Company and for the business of the Company and shall not change its present capital structure.

7. ISSUE OF SHARES BY THE TRANSFEE COMPANY :

- (i) Upon the Scheme becoming finally effective, in consideration of the transfer and vesting of the Undertaking of the Transferor Company in the Transferee Company in terms of the Scheme, the Transferee Company shall subject to the provisions of the Scheme and without any further application, act or deed, issue and allot at par 4 (Four) Equity Shares of Rs.10/- (Rupees Ten Only) each credited as fully paid-up in the Capital of the Transferee Company to the members of the Transferor Company whose names appear in the Register of Members of the Transferor Company on a date (Record Date) to be fixed by the Board of Directors of the Transferee Company for every 5 (Five) Equity Shares of the face value of Rs.10/- (Rupees Ten Only) each fully paid-up credited at paid-up and held by the said members or their heirs, executors, administrators or their legal representatives as the case may be, in the Transferor Company.
- (ii) However, the shares held by the Transferee Company in the Transferor Company will be cancelled and extinguished and no shares of Transferee Company shall be issued in exchange of the shares held by the Transferee Company.
- (iii) The said new Equity Shares shall rank for voting rights and all other respect pari-passu with the Equity Shares of the Transferee Company, save and except that the owners of the such Equity Shares shall be entitled to dividend declared and paid by the Transferee Company only after the record date for the

Sun Pharmaceutical Industries Limited

purpose of allotment of the Transferee Company's shares to the members of the Transferor Company pursuant to the approval of the Scheme. (It is clarified that since the Bonus Shares allotted on 1st April 2000 were to the shareholders of SPIL holding shares as on 23rd March 2000, the shareholders of SPEL will not be entitled to such Bonus Shares.)

(iv) The fractions arising due to the above Exchange Ratio shall be treated as under:

No fractional entitlements shall be issued by the Transferee Company in respect of the fractional entitlements, if any, to which the members of the Transferor Company may be entitled on issue of allotment of the shares by the Transferee Company as aforesaid. The Directors of the Transferee Company shall instead consolidate all such fractional entitlements and allot shares in lieu thereof to a Director or an Authorised officer of the Transferee Company with the express understanding that such Director or the Officer shall sell the same at the best available price in one or more lots and by private sale/placement or by auction as deemed fit (the decision of such Director or the officer as the case may be as to the timing and method of the sale and the price at which such sale has been given effect to shall be final) and pay the sale proceeds to the Transferee Company. The net sale proceeds thereupon, shall be distributed among the members of the Transferor Company in proportion of their fractional entitlements by the Transferee Company.

(v) For the purpose as aforesaid the Transferee Company shall, if and to the extent required, apply for and obtain the requisite approvals including that of SEBI, Reserve Bank of India and other appropriate authorities concerned for issue and allotment by the Transferee Company to the respective members of the Transferor Company of the Equity Shares in the said re-organised share capital of the Transferee Company in the ratio as aforesaid.

(vi) The issue and allotment of Equity Shares in the Transferee Company to the members of the Transferor Company as provided in the Scheme shall deemed to have been carried out by following the procedure laid down under Section 81 (1A) and other applicable provisions of the Act.

(vii) Upon issuance and allotment of the Equity Shares by Transferee Company to the members of the Transferor Company as provided in the Scheme, the existing Equity Shares held by the members of the Transferor Company shall automatically stand cancelled/extinguished.

(viii) Equity Shares of the Transferee Company issued in terms of Clause above, shall subject to applicable regulation, be listed and/or admitted to trading on the relevant Stock Exchange/s, whether in India or abroad, where the Equity Shares of the Transferee Company are listed and/or admitted to trading upon the Scheme becoming effective.

8. DIVIDEND, PROFIT, BONUS, RIGHT SHARES :

At any time upto the Effective Date

(a) The Transferor Company and the Transferee Company shall not declare/or pay dividends which are interim or final to the respective members relating to any period commencing on or after the Appointed Date unless agreed to by the Board of Directors of the Transferor Company and the Transferee Company.

(b) The Transferor Company and the Transferee Company shall not issue or allot any right shares, or Bonus Shares or any other security converting into Equity or other Share Capital or obtain any other financial assistance converting into Equity or other Share Capital, unless agreed to by the Board of Directors of the Transferor Company and the Transferee Company.

9. TRANSFEROR COMPANY'S EMPLOYEES:

All permanent Employees of the Transferor Company in service on the Effective Date, shall become the 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.

It is expressly provided that as far as Provident Fund, Gratuity Fund, Superannuation Fund or any other special funds/ Scheme(s) created or existing for the benefit of the employees of the Transferor Company are concerned, upon the scheme which becomes officially effective, the Transferee Company shall stand substituted for the Transferor Company for all purpose whatsoever related to the administrative or operation of such Scheme(s)/Fund(s) or in relation to the obligation to make contribution to the said Schemes funds in accordance with the provisions of such Schemes/Funds as per the terms provided in the respective Trust Deeds. It is the intent that all the rights, duties, powers and obligation of the Transferor Company in relation to such fund shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous without any break or interruption for the purpose of aforesaid Schemes/Funds. It is however, clarified that the Transferee Company shall be eligible and entitled to effect the transfer of the employees of the Transferor Company in ordinary and usual course of business and subject to business prudence the Board of Directors of the Transferee Company shall be eligible to re-assess and to re-allocate any of the activity undertaken by the employees of the Transferor Company.

10. DISSOLUTION OF THE COMPANY:

The Transferor Company shall be dissolved without winding up on an order made by the High Court of Ahmedabad under Section 394 of the Companies Act.

11. APPLICATION TO THE HIGH COURT:

The Transferor Company with all reasonable despatch, make applications/petitions under Sections 391 and 394 and other applicable provisions of the Act to the High Court of Judicature at Ahmedabad for sanctioning of this Scheme and for dissolution of the Transferor Company without winding up under the provisions of the Act.

The Transferee Company shall also with reasonable despatch make applications/petitions Under Sections 391 and 394 and other applicable provisions of the Act to the High Court at Ahmedabad for sanctioning of the Scheme under the provisions of the Act.

12. MODIFICATIONS, AMENDMENTS TO THE SCHEME :

The Transferor Company (by its Directors) and Transferee Company (by its Directors) may assent from time to time on behalf of persons concerned to any modifications/amendments to this Scheme or any conditions or limitations which the respective High Court at Ahmedabad or any authorities under the Law may deem fit to approve or impose and to resolve any doubt or difficulties that may arise for carrying out this Scheme and to do and execute all such acts, deeds, matters and things necessary for putting the Scheme into effect.

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

Sun Pharmaceutical Industries Limited

13. SCHEME CONDITIONAL UPON APPROVALS/SANCTIONS :

This Scheme is specifically conditional upon and subject to :

- (a) approval of and agreement to the Scheme by the requisite majorities of such Classes of persons of the Transferor Company and Transferee Company as may be directed by the High Court of Judicature at Ahmedabad on the applications made for directions under Section 391 of the said Act for calling meetings and necessary resolutions being passed under the Act for the purpose.
- (b) the sanctions of the High Court of Judicature at Ahmedabad being obtained under Sections 391 and 394 and other applicable provisions of the Act, if so required on behalf of the Transferor Company and Transferee Company.

14. EFFECTIVE DATE OF THE SCHEME :

This Scheme although to come into operation from 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 here in above referred to have been obtained or passed; and
- (b) the date on which all necessary certified copies of the order under sections 391 and 394 of the Act are duly filed with the respective Registrar of Companies of Gujarat, Dadra & Nagar Haveli and such date shall be referred to as Effective Date for the purpose of the Scheme.

15. EFFECT OF NON-RECEIPT OF APPROVAL/SANCTION :

In the event of any of the said sanction and approval referred to in the preceding Clause No. 13 and 14 above not being obtained and/or the Scheme not being sanctioned by the High Court and/or the Order(s) not being passed as aforesaid before 31/3/2001 or within such further period(s) as may be agreed upon from time to time between the Transferor Company (by its Directors) and the Transferee Company (by its Directors) and the Board of the Directors of both the Companies 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 their respective delegates, this Scheme 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 and/or otherwise arise as per Law.

16. EXPENSES CONNECTED WITH THE SCHEME :

All costs, charges and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with or incidental to this Scheme shall be respectively borne by the Transferor and Transferee Companies.

Swati Sarker

Sun Pharmaceutical Industries Limited

Dated this 16th Day of November, 2000.

Witness Devdatta Madhav Dharamadhikari Esquire,
the Chief Justice at Ahmedabad

aforesaid this 16th day of November Two Thousand.

By the order of the Court

[Signature]
Joint Registrar

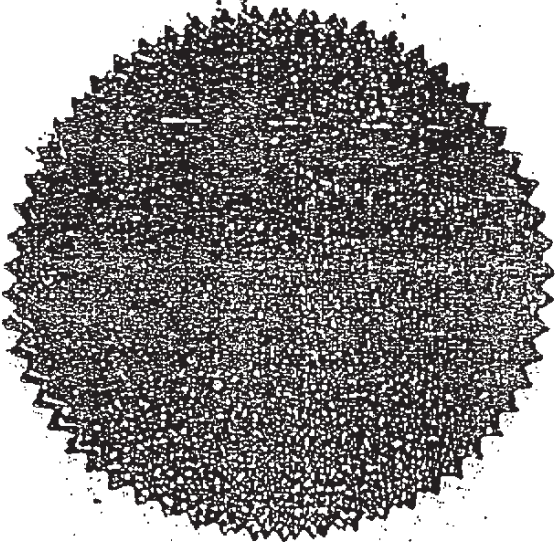
this 14 day of December 2000

Order drawn by :

[Signature]
Swati Saurabh Soparkar
(Swati Saurabh Soparkar)
Advocate

[Signature]
Sealer

This 16th day of December 2000



YASHU GOKH
[Signature]
Comp-230/02
11th

AMALGAMATION

OF

SUN PHARMACEUTICAL ADVANCED RESEARCH CENTRE LTD

WITH

SUN PHARMACEUTICAL INDUSTRIES LTD

21538/01
Charged
102

27/07/01

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

(ORIGINAL JURISDICTION)

COMPANY PETITION No. 90 of 2001

Section Officer
Decree
27/7/01

connected with

Copy applied on 17-7-01
Copy ready on 29-7-01
Copy filed on 29-7-01

COMPANY APPLICATION No. 88 of 2001

Sent to
Rgd.
Assistant

15/2/11

In the matter of:
Sun Pharmaceutical Industries Limited,
a Company registered under the Companies Act,
1956 and having its registered office at
SPARC, Akota Road, Akota, Vadodara 390 020 in
the state of Gujarat.

Sun Pharmaceutical Industries Limited.
a Company registered under the Companies
Act, 1956 and having its registered office
at SPARC, Akota Road, Akota, Vadodara 390
020 in the state of Gujarat.....Petitioner

BEFORE HONOURABLE MR. JUSTICE C. K. BUCH

Date : 12th July, 2001


ORDER ON PETITION



The above petition coming on for hearing on
12th July 2001 upon reading the said petition, the order
dated 27.3.2001 in the Company Application No. 88 of 2001
whereby the petitioner was directed to convene separate
meetings of the Equity and Preference Shareholders of the
above Company for the purpose of considering, and if thought
fit, approving, with or without modification the compromise
or arrangement proposed to be made between the said Company
and its shareholders in the matter of Amalgamation of Sun
Pharmaceutical Advanced Research Centre Limited with the
petitioner-company and annexed to the affidavit of Shri R. K.
Baheti filed on the 28.3.2001 and 'The Indian Express'
English Daily -Vadodara Edition dated 3.4.2001 and 'Loksatta'
Gujarati Daily -Vadodara Edition dated 3.4.2001 containing
each the advertisement of the said notice convening the said

meetings directed to be held by the said order dated 27.3.2001, the affidavit of Shri Dilip S. Shanghvi filed on 4.4.2001 showing the publication and despatch of the notices convening the said meetings, the reports dated 30.4.2001 filed by Shri Sudhir V. Valia, the chairman of the said meetings dated 30.4.2001 as to the result of the said meeting, and upon hearing Mrs. Swati S. Soparkar, Advocate for the petitioner Company and Smt. P. J. Davawala, Additional Standing Counsel appearing for the Central Government and it appearing from the reports that the proposed compromise or arrangement has been approved unanimously by the Equity and Preference shareholders of the company present at the meeting.

This Court doth hereby sanction the compromise or arrangement set forth in para 8 of the petition herein and in the Schedule hereto and doth hereby declare the same to be binding on the shareholders of the abovenamed company and also on the abovenamed company.



And this Court doth further order that parties to the compromise or arrangement or other persons interested shall be at liberty to apply to this Court for any directions that may be necessary in regard to the working of the compromise or arrangement, and

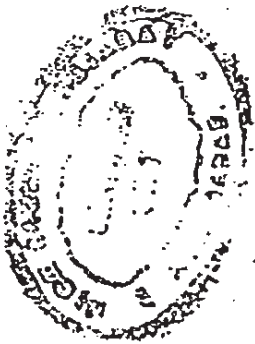
That the said Company do file with the Registrar of the Companies a certified copy of this order within 30 days of the receipt of the same, and

This Court has further order payment of Rs. 2,500/- in aggregate as the cost of this petition awardable to Shri Akshaybhai Mehta, Senior Central Government Standing Counsel, appearing for the Central Government.

SCHEDULES

Scheme of Compromise or Arrangement as sanctioned by the Court.

Dated this 16th day of November 2000.



**SCHEME OF AMALGAMATION OF
SUN PHARMACEUTICAL ADVANCED RESEARCH CENTRE LIMITED
WITH
SUN PHARMACEUTICAL INDUSTRIES LIMITED**

1. DEFINITIONS:

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

- (a) 'The Transferor Company' means Sun Pharmaceutical Advanced Research Centre Limited, a Company incorporated under the Companies Act, 1956 and having its Registered Office at Synergy House, Gorwa Road Subhanpura, Vadodara- 390 007.
- (b) 'The Transferee Company' means Sun Pharmaceutical Industries Limited, a Company registered under the Companies Act, 1956 and having its Registered Office at SPARC, Akota Road, Akota, Vadodara - 390 029.
- (c) 'The Act' means Companies Act, 1956 including any statutory modifications, re-enactments or amendments thereof.
- (d) 'The Appointed Date' means the commencement of 1st day of April, 2000.
- (e) 'The Effective Date' means the last of the dates on which the sanctions/approvals or orders as specified in Clause No.14 of this Scheme have been obtained.
- (f) 'Undertaking' shall mean and include :
 - i) All the assets of the Transferor Company as on the appointed date (hereinafter referred to 'the said Assets')
 - ii) All debts, liabilities, duties and obligations of the Transferor Company as on the appointed date (hereinafter referred to 'the said Liabilities').
 - iii) Without prejudice to the generality of Sub-clause (i) above the undertaking of the transferor company shall include all the transferor company's reserves, provisions, funds, moveable and immovable properties assets including investments, claims, powers, authorities, allotment, approvals, consents, registrations contracts, enactments, arrangements, rights, titles, interest, benefits, advantages, lease-hold rights and other intangible rights, industrial and other licences, permits, authorisations, quota, rights, trade marks patents, brands, secret formulae, drawings, research rights and other industrial intellectual properties imports, telephone/facsimile/ telex and other communication facilities, Electrical Connections from GEF and equipments including Computers, Hardwares, Softwares, and other electronic equipments and instruments, system of any kind whatsoever, rights and benefits of all agreements and other interest including rights & benefits under various schemes of different Taxation Laws as may belong to or be available to the Transferor Company rights and powers of every kind, nature and description of whatsoever probabilities, liberties, easements, advantages, and approval of whatsoever nature and wheresoever situated, belonging to or in ownership, power or possession or control or entitlement of the Transferor Company.
- 'Scheme' means This Scheme of Amalgamation in its present form submitted to the High Court of Judicature at Vadodra for sanction with any modification(s), approved or imposed or directed by the said High Court

2. TRANSFER OF UNDERTAKING :

- (a) With effect from the Appointed Date and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the undertaking of the Transferor Company shall, without any further act or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to or vested in the Transferee Company pursuant to the provisions of Section 394 and other applicable provisions of the Act.
- (b) With effect from the appointed date, and subject to the provisions of this Scheme, the said liabilities shall also be and shall stand transferred or deemed to have been transferred without any further act, instrument or deed to the Transferee Company, pursuant to the provisions of Section 394 of the Act, so as to become as and from the Appointed date, the debts, liabilities, duties and obligation 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.

Sun Pharmaceutical Industries Limited

3. CONTRACTS, DEEDS AND OTHER INSTRUMENTS :

Subject to all the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be 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.

4. LEGAL PROCEEDINGS :

All suits, claims, actions and proceedings by or against the Transferor Company pending and/or arising on or before the date on which this Scheme shall finally take effect shall be continued and enforced by the Transferee Company as effectively as if the same has been pending or arising against the Transferee Company.

5. OPERATIVE DATE OF THE SCHEME :

This Scheme, though effective from the Appointed date shall be operative from the effective date.

6. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY TILL EFFECTIVE DATE:

With effect from the Appointed Date, and upto the Effective Date :

- (i) The Transferor Company shall carry on or deemed to have carried on all its business and activities and shall be deemed to have held or stood possessed of and shall hold and stand possessed of all the said Assets for and an account of and in trust for the Transferee Company.
- (ii) All the profits or income accruing or arising to the Transferor Company or expenditure or losses arising or incurred by the Transferor Company shall for all purpose be treated and be deemed to be and accrued as the profits and income or expenditure or losses of the Transferee Company, as the case may be.
- (iii) The Transferor Company shall carry on its business activities with reasonable diligence, business prudence and shall not alienate, charge, mortgage, encumber or otherwise deal with the said assets or any part thereof except in the ordinary course of business or pursuant to any pre-existing obligation undertaken by the Transferor Company prior to the Appointed Date except with prior written consent of the Transferee Company.

Provided that as far as the obligations referred as above are concerned, the restrictions thereunder shall be applicable from the date of the acceptance of the present Scheme by the respective Board of Directors of the Transferor and Transferee Company even if the same is prior to the Appointed date.

(iv) The Transferor Company shall not vary the terms and conditions and employment of its permanent employees except in ordinary course of business.

(v) The Transferor Company shall not, without prior written consent of the Transferee Company, undertake any new business.

- (vi) The Transferor Company shall not, without prior written consent of the Transferee Company, take any major policy decisions in respect of management of the Company and for the business of the Company and shall not change its present capital structure.

7. CANCELLATION OF SHARES HELD BY THE TRANSFEE COMPANY IN THE TRANSFEROR COMPANY:

The shares held by the Transferee Company in the Transferor Company will be cancelled and extinguished and no shares of Transferor Company shall be issued in exchange of the shares held by the Transferee Company.

8. ACCOUNTING TREATMENTS OF ASSETS, LIABILITIES AND RESERVES OF THE TRANSFEROR COMPANY:

- (i) As on the appointed Date, and subject to any corrections and adjustments as may, in the opinion of the Board of Directors of the Transferee Company be required, the reserves of the Transferor Company will be merged with those of the Transferee Company in the same form as appeared in the financial statement of the Transferor Company.

Sun Pharmaceutical Industries Limited

- (ii) Further, in case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the amalgamation will be quantified and adjusted in the Revenue Reserve(s) as mentioned earlier to ensure that the financial statement of the Transferee Company reflects the financial position on the basis of consistency in the accounting policy.
- (iii) An amount equal to the balance lying to the credit of Profit and Loss Account in the books of the Transferor Company shall be credited by the Transferee Company to its Profit and Loss Account and shall constitute the Transferee Company's free reserve as effectively as if the same was created by the Transferee Company out of its own earned and distributable profits.

9. DIVIDEND, PROFIT, BONUS, RIGHT SHARES :

At any time upto the Effective Date

- a) The Transferor Company and the Transferee Company shall not declare or pay dividends which are interim or final to the respective members relating to any period commencing on or after the Appointed Date unless agreed to by the Board of Directors of the Transferor Company and the Transferee Company.
- b) The Transferor Company and the Transferee Company shall not issue or allot any right shares, or Bonus Shares or any other security converting into Equity or other Share Capital or obtain any other financial assistance converting into Equity or other Share Capital, unless agreed to by the Board of Directors of the Transferor Company and the Transferee Company.

10. TRANSFEROR COMPANY'S EMPLOYEES:

All permanent Employees of the Transferor Company in service on the Effective Date, shall become the 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.

It is expressly provided that as far as Provident Fund, Gratuity Fund, Superannuation Fund or any other special funds/ Scheme(s) created or existing for the benefit of the employees of the Transferor Company are concerned, upon the scheme which becomes officially effective, the Transferee Company shall stand substituted for the Transferor Company for all purpose whatsoever related to the administrative or operation of such Scheme(s)/ Fund(s) or in relation to the obligation to make contribution to the said Schemes funds in accordance with the provisions of such Schemes/Funds as per the terms provided in the respective Trust Deeds. It is the end intent that all the rights, duties, powers and obligation of the Transferor Company in relation to such fund shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous without any break or interruption for the purpose of aforesaid Schemes/Funds. It is however, clarified that the Transferee Company shall be eligible and entitled to effect the transfer of the employees of the Transferor Company in ordinary and usual course of business and subject to business prudence the Board of Directors of the Transferee Company shall be eligible to re-assess and to re-allocate any of the activity undertaken by the employees of the Transferor Company.

DISSOLUTION OF THE COMPANY:

The Transferor Company shall be dissolved without winding up on an order made by the High Court of Ahmedabad under Section 394 of the Companies Act.

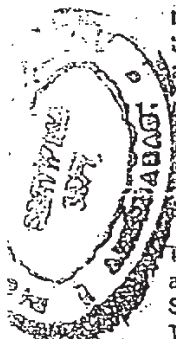
APPLICATION TO THE HIGH COURT :

The Transferor Company with all reasonable despatch, make applications/petitions under Sections 391 and 394 and other applicable provisions of the Act to the High Court of Judicature at Ahmedabad for sanctioning of this Scheme and for dissolution of the Transferor Company without winding up under the provisions of the Act. The Transferee Company shall also with reasonable despatch make applications/petitions Under Sections 391 and 394 and other applicable provisions of the Act to the High Court at Ahmedabad for sanctioning of the Scheme under the provisions of the Act.

13. MODIFICATIONS, AMENDMENTS TO THE SCHEME :

The Transferor Company (by its Directors) and Transferee Company (by its Directors) may assent from time to time on behalf of persons concerned to any modifications/amendments to this Scheme or any conditions or limitations which the respective High Court Ahmedabad or any authorities under the Law may deem fit to approve or impose and to resolve any doubt or difficulties that may arise for carrying out this Scheme and to do and execute all such acts, deeds, matters and things necessary for putting the Scheme into effect.

Sun Pharmaceutical Industries Limited



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

14. SCHEME CONDITIONAL UPON APPROVALS/SANCTIONS :

This Scheme is specifically conditional upon and subject to:

- (a) Approval of and agreement to the Scheme by the requisite majorities of such Classes of persons of the Transferor Company and Transferee Company as may be directed by the High Court of Judicature at Ahmedabad on the applications made for directions under Section 391 of the said Act for calling meetings and necessary resolutions being passed under the Act for the purpose.
- (b) The sanctions of the High Court of Judicature at Ahmedabad being obtained under Sections 391 and 394 and other applicable provisions of the Act, if so required on behalf of the Transferor Company and Transferee Company.

15. EFFECTIVE DATE OF THE SCHEME :

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

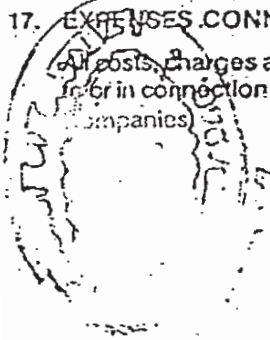
- (a) The date on which the last of all the consents approvals, permissions, resolutions, sanctions and/or orders as are here in above referred to have been obtained or passed; and
- (b) The date on which all necessary certified copies of the order under sections 391 and 394 of the Act are duly filed with the Registrar of Companies of Gujarat, Dadra & Nagar Haveli and such date shall be referred to as Effective Date for the purpose of the Scheme.

16. EFFECT OF NON-RECEIPT OF APPROVAL/SANCTION :

In the event of any of the said sanction and approval referred to in the preceding Clause No. 14 and 15 above not being obtained and/or the Scheme not being sanctioned by the High Court and/or the Order(s) not being passed as aforesaid before 31/12/2001 or within such further period(s) as may be agreed upon from time to time between the Transferor Company (by its Directors) and the Transferee Company (by its Directors) and the Board of the Directors of both the Companies 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 their respective delegates, this Scheme 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 and or otherwise arise as per Law.

17. EXPENSES CONNECTED WITH THE SCHEME :

All costs, charges and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with or incidental to this Scheme shall be respectively borne by the Transferor and Transferee Companies.



41
Swati Soparkar

Sun Pharmaceutical Industries Limited

Dated this 12th Day of July, 2001.

Witness Dāvdatṭa Madhav Dharamadhikari Esquire,
the Chief Justice at Ahmedabad
aforesaid this 12th day of July Two Thousand One.

By the order of the Court

[Handwritten Signature]

Joint Registrar

this *23rd* day of July 2001

Order drawn by :

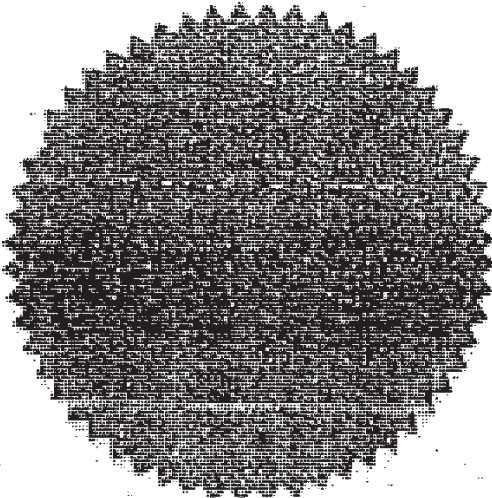
sd
Swati Soparkar
(Swati Saurabh Soparkar)
Advocate



Sealer

[Handwritten Signature]

This *23rd* day of July 2001



TRUE COPY

DEPUTY REGISTRAR
JUL 27 2001

AMALGAMATION/MERGER
OF
PRADEEP DRUG COMPANY LTD
WITH
SUN PHARMACEUTICAL INDUSTRIES LTD

BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION

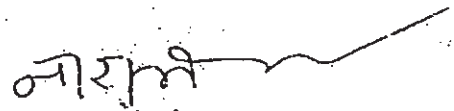
CASE NO.175/97 RE.: PRADEEP DRUGS COMPANY LTD.

BENCH-II

ORDER

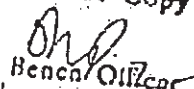
A draft rehabilitation scheme (DRS) in the above case was circulated on 14.9.2001 for obtaining consent of all concerned. The Bench after hearing the objections and suggestions to the DRS in the hearing held on 31.1.2002 issued the proceedings on 6.2.2002. In the light of the deliberations held in the hearing on 31.1.2002 and considering the material on record and also having regard to the fact that all the parties concerned having given their consent u/s 19(2) of the Act to the various provisions of the above scheme, in exercise of the powers conferred u/s 18(4) of the Act, read with Section 19(3) of the Act with modifications, the Bench had sanctioned the enclosed scheme of merger, hereinafter called the 'Sanctioned Scheme', for rehabilitation of Pradeep Drugs Company Ltd. on 31.1.2002. The Sanctioned Scheme after incorporating the modifications in terms of the proceedings on 31.1.2002 is hereby circulated.


(N.P. BAGCHEE)
MEMBER


(G. NARAYANAN)
MEMBER

DT: 26.02.2002.

Certified to be True Copy


Bench Officer
Board for Industrial and
Financial Reconstruction



DATE OF ISSUE
- 6 MAR 2002

BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION

CASE NO. 175/97 RE: PRADEEP DRUG COMPANY LTD.

BENCH VI

SANCTIONED SCHEME

1.0 INTRODUCTION AND BACKGROUND

1.1 Pradeep Drug Company Ltd. (PDCL), promoted by Shri. Mohan Chand Dadha was incorporated on 26.3.1990 by take over of M/s. Pradeep Drug Company (PDC), a sole proprietorship concern functioning at Maraimalai Nagar with effect from 01.12.91 as a going concern. The main product of PDC was 'Bulk Drug' like Erythromycin. During the year 1993-94, PDCL launched its first major expansion plan by setting up production facilities at Sathammai village in Maduranthakam near Chennai as a 100% EOU, for manufacture of Bulk Drugs like Analgin, Mebendazole etc. The unit was, however, re-bonded and came out of the 100% EOU status in June 1996 and, thereafter, it started commercial production of Erythromycin salt, Macrolides, Metformin and sodium salts. The Maraimalai Nagar unit was closed in December 1996 and the production facilities with the work force were transferred to Maduranthakam unit.

1.2 Management and Shareholding Pattern

a) Management - The Management of PDCL is vested in the Board of Directors of the company which comprises a Managing Director and two whole time Directors who are assisted by a team of professionals in the respective areas. Shri S. Mohanchand Dadha, the promoter of PDCL is the Managing Director and S/Shri. Ciandra Nahata and Sidharth Baid are the wholetime Directors. As events unfolded



the promoters do not seem to have the necessary wherewithal and business acumen to withstand the vicissitudes of the industry to run the venture on profitable lines. The flagship company of the promoters M/s. Tamil Nadu Dada Pharmaceuticals Ltd. (TDPL), the first joint sector company engaged in the manufacture of pharma products was already taken over by Sun Pharmaceuticals Industries Ltd. (SPIL).

b) Shareholding Pattern - The entire paid up equity share capital of Rs.925.96 lac as on 31.3.2000 is held as under:

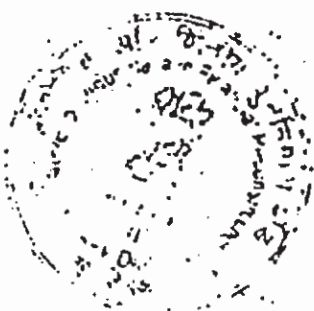
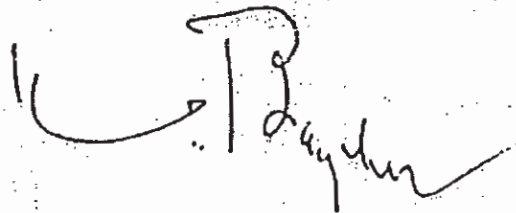
	Share capital (Rs. In lacs)	% of holding
Promoters and Associates	385.75	41.66
Institutions	Nil	Nil
Others	540.21	58.34
	925.96	100.00

1.3. Reasons for Sickness

a) Delay in project implementation: The company had set up a 100% EOU at Sathammal village for manufacturing Bulk Drugs like Analgin, Merbendazoles etc. There was delay in project implementation. Consequently there was cost over-run due to time over-run and delayed commercial production had thrown the profitability projections awry. The 'Dumping' of Analgin in international markets at far cheaper prices by China caused considerable losses to PDCL's operations which resulted in total write-off of its core product 'Analgin' altogether.

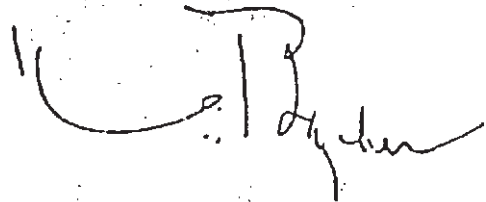
b) The company right from inception faced problems in the areas of technology, marketing and finance.

- c) The company had miserably failed to create a strong market for its new products viz. Roxithromycin and Azithromycin which have better margins due to poor marketing competence/network. The new products developed had restricted market only in the countries which had not enacted patent laws.
- d) Obsolete machinery and failure to upgrade the technology and modernise production facilities have caused quality defects which has resulted in the company suffering major set-back in marketing besides high cost of production (COP) which in turn fuelled the operating losses further.
- e) The carry forward losses, erosion of margins and reduced level of operations have resulted in liquidity crunch. The failure on the part of the promoters to infuse funds through long term sources to fund the cash losses had forced the company to bring down its operations and the high fixed costs has escalated the cash losses further.
- f) In a highly competitive industry like Pharma, Investments in Research and Development holds the key for long term prospects. Due to continuous liquidity problems, the company could not invest in Research programmes to constantly upgrade the quality of the products and to reduce the cost to stay competitive. This coupled with the flight of technical personnel, from PDCL had further dampened the chances of revival.
- g) The delay in implementing the decision to debond the 100% EOU unit at Madurantakam, so as to make it a domestic unit to take other high value products which have better demand in local markets had also contributed to the losses sustained by the company.



1.4 PDCL made a reference to BIFR under Section 15(1) of Sick Industrial Companies Act (Special Provisions) Act 1985 (hereinafter referred to as 'the Act') and in the hearing held on 5.12.97, it was declared sick u/s 3(1)(c) of the Act and State Bank of India (SBI) was appointed as the Operating Agency (OA) to prepare a rehabilitation scheme of the company. The company was directed to submit its detailed and fully tied up proposal to the OA within six weeks, which the OA reported subsequently that the company had failed to do so. Accordingly the Bench vide its order issued in April 1998, directed the OA to immediately initiate action for change in management of the company by issuing an advertisement. However, as the company submitted a proposal belatedly, the above order of BIFR was held back and the proposal was discussed in the joint meeting held by the OA on 11.11.98, in which the conduct of the promoters was found unsatisfactory and the banks and institutions expressed lack of faith in the present management.

1.5 In the hearing held on 23.9.99, the OA was directed to prepare fresh techno-economic viability study (TEVS) report and if based on that the company was found viable on realistic assumptions and conditions and was in a position to work out some mutually acceptable arrangements with SBI, a Draft Rehabilitation Scheme (DRS) should be prepared and submitted to BIFR. The OA's final report should be submitted to BIFR by 30.11.99. The OA submitted its report vide letter dated 14.3.2000. The OA vide its subsequent letter dated 12.4.2001 intimated to BIFR some further developments in the case. The OA after incorporating these developments submitted its final report containing the rehabilitation scheme for the company on 4.5.2001. Based on this report of the OA, a DRS was circulated to all

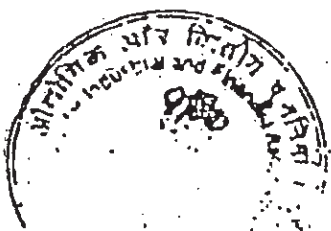
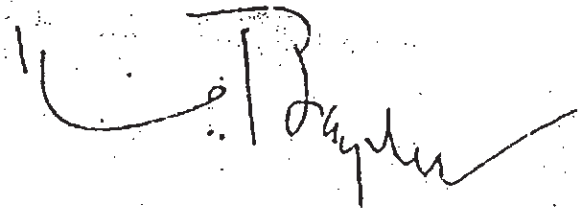


concerned u/s 19(1) read with Section 19(2) of the Act on 14.9.2001. The objections/suggestions to the DRS were considered on 31.1.2002 and the scheme was sanctioned u/s 19(4) of the Act with the modifications suggested in the hearing.

2.0 THE SCHEME

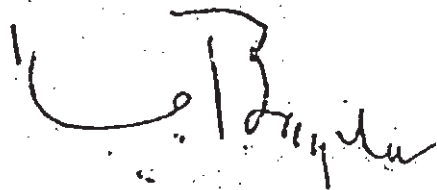
2.1 The scheme envisages merger of PDCL with Sun Pharmaceutical Industries Ltd. (SPIL)* for which the counter parties would be signing a Memorandum of understanding (MOU) immediately on receipt of the approval of BIFR. The salient features of the proposed merger of PDCL with SPIL are detailed below:

- 1) The cut off/effective date of merger shall be 01.04.2000.
- 2) The entire assets/liabilities of PDCL shall vest with SPIL as per the terms and conditions as laid down in the Draft Scheme of Amalgamation/merger which we understand that PDCL has already filed a copy of the above with Honourable BIFR.
- 3) The capital of the merged outfit will be restructured and the share holders of PDCL shall be allotted/share of Rs.10/- each fully paid at par in SPIL in lieu of every 500 shares of Rs.10/- each fully paid in PDCL. M/s.Dhir and Dhir Associates, New Delhi has done the exercise of valuing the shares of PDCL and SPIL as on 31.3.2000 to arrive at the swap ratio. The report submitted by the consultants has already been filed with BIFR by the company.
- 4) Employees of PDCL would be taken over by SPIL on such terms as detailed in the scheme of merger.
- 5) Manufacturing unit of PDCL would function as a Division of SPIL.



- 6) Dues of SBI, the only secured creditor of PDCL will be settled by an OTS offer involving payment of Rs.5.23 crores to be paid within a week from the date of approval of the scheme. The company had unsecured creditors to the tune of Rs.2.21 crore of which Rs.1.34 crore were paid off out of the funds support of SPIL. A sum of Rs.0.89 crore was given by way of loan by one of the Directors Shri S. Mohan Chand Dandia, who has consented to write off the loan. Thus the company has no unsecured creditors as well.
- 7) Capital expenditure of Rs.200 lacs would be incurred during the FY 2001-02 to step up production capacity.
- 8) SPIL's total contribution towards the rehabilitation of PDCL division to be Rs.2663.03 lacs in addition to the amount owed by PDCL as on the cut off date amounting to Rs.608.33 lacs.
- 9) SPIL to get tax benefit amounting to Rs.706.90 lacs U/S 72A of IT Act by way of set off of brought forward losses of PDCL against its taxable profits during the FY 2000-01 (AY 2001-02).
- 10) Net worth of the merged entity to remain positive as at the effective date of merger.

Sun Pharmaceutical Industries Ltd. (SPIL) - SPIL promoted by Srid Dillip Shrivastava was registered as a partnership concern in 1982 to manufacture and market, specially pharmaceutical products. The firm was converted into a corporate entity (Limited company) in 1992-93. The company has production facilities at 7 centres; three plants for manufacture of formulations (Silvassa and Vapi) and four plants for manufacture of bulk drugs situated at Panaji, Ahmednagar, Ankleshwar and Chennai. The company grew in size and stature

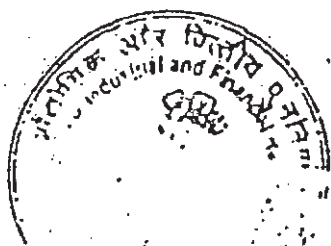


through adopting the Merger and Acquisition route (M&A) since the mid 90s and the latest addition is PDCL after the Chennai based TDPL. Between 1996 and now SPIL have taken over 5 units which has helped them to have a product range of 249 drugs. The merger and acquisition route has helped SPIL to improve its domestic market share in the "Rs.14000 crore pharma market" to 2.49% in December 2000, with an enviable Compounded Annual Growth Rate (CAGR) of 12.29%. SPIL has been awarded 46th rank (Improved from 56th rank) based on March 2001 provisional results as per ET500 (Economic Times biannual listing of Indian top corporates based on market capitalisation). SPIL was ranked 5 by Operations Research Group (ORG) under domestic prescription market share and BCG (Boston Consulting Group) has rated SPIL as No.1 among the pharma companies as also No.8 among industries for Total Shareholder Returns. (TSR).

3.0 COST OF THE SCHEME AND MEANS OF FINANCE

	Rs. In lakhs		
	Years - 31 st March		
	2000-01	2001-02	Total
3.1 Cost of the scheme			
Building	6.00	30.00	
Plant and Machinery	24.00	147.00	
Vehicles	5.00	12.00	
Electrical Installation	1.00	6.00	
Computers	5.00	5.00	200.00
OTS payable to SBI			523.00
Settlement of old creditors		355.00	355.00
Working capital requirements		1760.00	70.00
Net cash loss-finding		13.00	13.00
	2179.00		793.00
3.2 Means of Financing			
Promoters/Acquirer's contribution	2179.00		593.00
Opening cash Bal./Internal accruals			100.00
Sale of surplus land			100.00
	2179.00		793.00

*inclusive of investment of amount of tax benefit to be availed by SPIL U/S 72A of the IT Act during the FY 2000-01 (AY 2001-02).



3.3 Promoters/Acquiring company's contribution as a percentage of cost of scheme and monetary value of sacrifices

RS. In Lakhs

Cost of scheme (COS)		2973
Monetary value of sacrifices		
	SBI : Rs.330	
	Others : Rs.029	359
	Total	3332
Acquiring company's contribution as a % of COS 83.19%		
Breakup Details:		
Funds payable by PDCL to SPIL as on 31.3.2000		608
Funds brought in by SPIL during 2000-01		2179
Funds to be brought in by SPIL during 2000-01		593
	A	3380
30% of cost of scheme and monetary value of sacrifices (non-repayable amount of promoters/Acquirers contribution) B		999
Repayable portion of Promoters'/Acquirers contribution (A-B) C		2381

4.0 RELIEFS AND CONCESSIONS

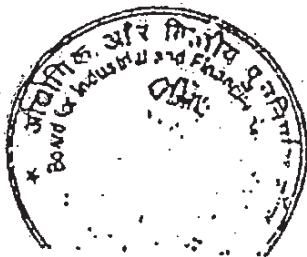
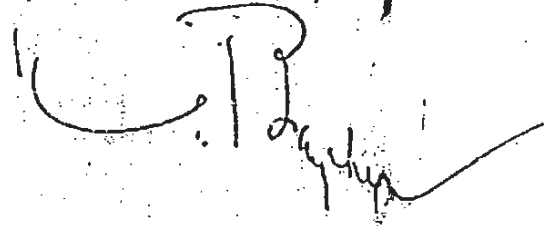
4.1 State Bank of India (SBI)

- i) SBI to accept the agreed OTS amount of Rs.5.23 crores as full and final settlement of the company's dues amounting to Rs.9.57 crore, which would result in SBI making a sacrifice of Rs.4.34 crore. The Bank shall discharge PDCL from all liabilities once this payment is made. PDCL shall arrange for the payment of the amount within a week from the date of approval of the scheme.
- ii) To release all charges on the assets of the company, the personal guarantees of the promoters/Directors of PDCL, and any other security offered by the company by way of collateral to secure the advance.
- iii) To withdraw all Cases suits filed against PDCL and the Directors immediately on payment of OTS amount.

- iv) To cancel the expired Bank guarantees and consequently the contingent liability of the company, after the Bank satisfies itself that there are no claims against the guarantee from the beneficiary(ies).
- v) To adjust the amount of Rs. 13.21 lacs deposited by way of margin money for the guarantees, towards OTS amount, with interest, if any accrued thereon, subject to the above.

4.2 State Government of Tamil Nadu

- i) To consider to declare the transferred unit (unit being transferred by PDCL to SPIL to be referred to as "transferred unit") as a relief undertaking during the period of rehabilitation.
- ii) To supply uninterrupted power without any power cuts for a period of seven years. To waive electricity duty/minimum demand charges/extra charges for peak hour consumption on electricity bills raised against the company during the period when the power connection was disconnected and/or for a period when the unit was closed or operating at very low capacity since the beginning of the financial year from which the company started incurring cash losses.
- iii) To consider to exempt the acquiring company from charging sales tax on the sales/production made by the transferred unit for a period of seven years or in the alternative allow the acquiring company to collect the sale tax on the turnover of the transferred unit for a period of seven years and repay the same after a period of seven years in seven equal annual installments on interest free basis.



AMALGAMATION
OF
M. J. PHARMACEUTICALS LIMITED
WITH
SUN PHARMACEUTICAL INDUSTRIES LTD

पंजीकृत

309/2000

भारत सरकार

औद्योगिक और वित्तीय-पुनर्निर्माण बोर्ड

TESTED TRUE COPY

21 वीं मंजिल, जवाहर व्यापार भवन,
1, टॉलस्टॉय मार्ग, नई दिल्ली - 110001
दिनांक : 17-5-2002

लेखक : 331 44197

तार:-

फैकल:- 3701211

सेवा में,

(संलग्न सूची के अनुसार)

विषय :- श्री एम.जे. फार्मस्युटिकल्स लि.

के मामले, मामला संख्या 309/2000

महोदय,

मुझे दिनांक 13.5.2002 को कार्यवाही/मदेशों/ ~~पट्टण~~ ~~सलाउमे~~ ~~नोटिस~~ की प्रमाणित प्रति आपको सूचना तथा आवश्यक कार्रवाई के लिये भेजने का निर्देश हुआ है।



भवदीय

अम्लान दास
(अम्लान दास)
अनुभाग अधिकारी, द्वैच - 1

S/ Selena
MS/5(U)

अनुलग्नक - यथा उपरोक्त

MERGER SCHEME OF BULK DRUGS DIVISION OF M.J. PHARMACEUTICALS LIMITED WITH SUN PHARMACEUTICAL INDUSTRIES LIMITED

In this scheme unless inconsistent with the subject or context, the following expressions shall have the following meanings:

"The Transferor Company" means M. J. Pharmaceuticals Ltd (MJPL after the sale of movable fixed assets and net current assets as going concern of Halol formulation unit), a Company incorporated under the provisions of the Indian Companies Act, 1956 having its Registered Office at 3, Narayan Building, 23, L. N. Road, Dadar (E), Mumbai 400 014,

"The Transferee Company" means Sun Pharmaceutical Industries Limited (SPIL), a Company incorporated under the provisions of Indian Companies Act, 1956 having its Registered Office at Sparc, Akota Road Vadodara 390 020, Gujarat,

"The Act" means the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA),

"BIFR" means the Board for Industrial and Financial Reconstruction constituted under Section 4 of the Sick Industrial Companies (Special Provisions) Act, 1985,

"The Cut off Date" means the date, which has been directed by BIFR as September 30, 2001, for reliefs and concessions as envisaged in the scheme to be effective,

"The date of Amalgamation" means the date of handing over possession of MJPL to Sun Pharmaceutical Industries Limited (SPIL) and date of dissolution of MJPL without winding up,

"Period for implementation of scheme" means the period, which has been assumed as 18 months from the date of amalgamation for making capital expenditure to achieve optimum capacity utilisation,

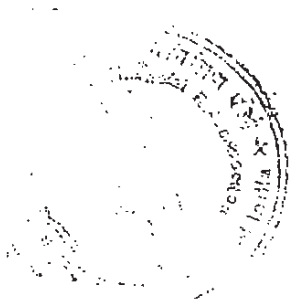
"The Transfer date/ Date of Amalgamation" means the January 1, 2002,

"The Rehabilitation period" is the period during which the unit will be revived which has been assumed as 66 months from the cut off date,

M. J. Pharmaceuticals Ltd (MJPL)'s shareholders, means the persons who are registered on the Register of Members of the Transferor Company as the holders of the issued equity Capital of the Transferor Company as on such date after the Transfer Date (hereinbefore defined) as the Board of Directors of the Transferee Company may determine,

"The Effective Date" means the date, on which the last of the approvals specified in Clause 10 of this scheme are obtained,

As on March 31, 2001 the Authorised Share Capital of the Transferor Company is Rs.200,000,000/- comprising of Rs.150,000,000/- divided into 15,000,000 equity shares of Rs.10/- each and Rs.50,000,000 divided into 500,000 Preference Shares of Rs.100/- each. The issued, subscribed and paid up capital is Rs.75,000,000/- divided into 7,500,000



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equity shares of Rs. 10/- each and Rs 50,000,000 divided into 500,000 Preference Shares of Rs 100/- each,

As on March 31, 2001, the authorised equity share capital of the Transferee Company is Rs.1,100,000,000/- comprising of Rs 500,000,000 divided into 50,000,000 equity share of Rs.10/- each and Rs.600,000,000 divided into 6,000,000 preference shares of Rs 100/- each. The issued and subscribed share capital as on March 31, 2001 is Rs.644,972,000/- comprising equity share capital of Rs.154,222,000/- divided into 15,422,833 equity shares of Rs.10/- each and preference share capital of Rs.490,750,000/- divided into 4,907,500 shares of Rs 100/- each.

"The Financial Institutions and Banks" means the ICICI Limited and Bank of Baroda.

The Scheme

1. The undertaking of the Transferor company situated at Ankleshwar Bulk drug unit and other assets excluding movable fixed assets and net current assets as going concern of Halol Formulation unit shall, with effect from the Transfer date and without any further act or deed be deemed to have been transferred to and vested in the Transferee Company pursuant to an order to that effect by the BIFR for all the estates and interests of the Transferor Company but subject nevertheless to all charges, if any, then affecting the same or any part thereof and as on the Transfer date, the Transferor Company shall be deemed to have been amalgamated with the Transferee Company.
- 2a. For the purpose of the scheme, the undertakings of the Transferor Company shall include:
 - (i) All the assets and properties of the Transferor Company situated at Ankleshwar and under possession of Registered office, excluding that of movable fixed assets and net current assets of Halol formulation unit, as on transfer date
 - (ii) Subject to the provisions of Clause 9 hereinafter, all the residual liabilities of the Transferor Company as on transfer date.
- 2b. Without prejudice to the generality of sub-clause (a) hereof the undertakings of the Transferor Company shall include all rights, privileges powers and authorities and all properties movable or immovable, real, corporeal or incorporeal in possession or reversion, present or contingent, of whatsoever nature and wheresoever situated including in particular all licenses and liberties, patents, trade marks, telephone /facsimile/telex and other communication facilities, equipments including computers, hardware, software and other electronic equipments and instruments, systems of any kind whatsoever, rights and benefits of all agreements and other interest including rights and benefits under various schemes of different taxation laws as may belong to or be available to the Transferor Company, electrical connections from Gujarat Electricity Board (GEB), and import quotas held by or applied for by the Transferor Company or to which the Transferor Company is entitled and subject to what is stated in Clause 9 hereinafter, all debts, liabilities and duties of the Transferor Company and all other obligations of whatsoever kind including liabilities for payment of gratuity, pension benefits, provident fund or compensation in the event of retrenchment. Provided always that the scheme shall not operate to enlarge the security for any loan deposit of facility created by or

available to the Transferor Company which shall vest in the Transferee company by virtue of the amalgamation and the Transferor Company shall not be obliged to create any further or additional security thereof after the amalgamation has become effective or otherwise.

3. If any suit or appeal or other proceedings of whatsoever nature hereinafter called the proceedings) by or against the Transferor Company be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the undertaking of the Transferor Company to the Transferee Company or of anything contained in the scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as if this scheme has not been made.
- 4a. The transfer and vesting of the property and liabilities under Clauses 1 & 2 hereof and the continuance of the proceedings by the Transferor Company under Clause 3 hereof shall not affect any transactions or proceedings already concluded by the Transferor Company in the ordinary course of business on or after the transfer date to the end and intent that the Transferee Company accepts on behalf of itself all acts, deeds and thing done lawfully and executed by the Transferor Company.
- 4b. As from the transfer date, the Transferor Company shall be deemed to have carried on and to be carrying on its business on behalf of and on account of and in trust for the Transferee Company until such time as the amalgamation becomes effective in terms of this scheme.
- 4c. As from the transfer date, the Transferor Company shall carry on business of the Transferor Company until the amalgamation becomes effective with utmost prudence and shall not without the concurrence of the Transferee Company alienate, charge or otherwise deal with the property or assets of the Transferor Company or any part thereof except in the ordinary course of business.
5. Subject to the other provisions contained in this scheme all lawful contracts, deeds, bonds, agreements and other instruments of whatever nature to which the Transferor Company is a party subsisting or having effect immediately before the amalgamation shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and as effectively as if instead of the Transferor Company, the Transferee Company had been a party thereto. However, the clauses relating to convertibility of defaulted amounts into equity, appointment of one or more Directors, Director /Manager, Key Officials, Technical Consultants, Chartered Accountants; declaration and/or payment of dividends, raising, borrowing and /or redeeming of loans, credits and investments creation of debentures and fresh capital, appointment of agents or distributors, management take over by the lender, right sale of assets by the Lender and such other restrictive covenants contained in the Agreements with or in correspondence exchanged between the Transferor Company and its banks and/or financial institutions shall be relaxed subject to no incidence of default by the Transferee Company to the secured lender(s).
6. All permanent employees of the Transferor Company excluding the employees of Haiol formulation unit, who are in the employment of the Transferor Company on the Effective Date in terms of this scheme shall, as from such date, become the employees of the Transferee Company, on the basis that their services do not stand

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interrupted by vesting of the undertaking of the Transferor Company in the Transferee Company under this scheme and the terms and conditions of service applicable to such employees on the Effective Date is in no way less favorable to them than those applicable to them immediately before the transfer date. The Transferee Company, however, shall also have the right to exercise an option if warranted to transfer such number of employees to any other unit of Transferee Company as may be deemed necessary.

7. Upon the transfer of the undertakings of the Transferor company pursuant to Clause 1 hereof and the amalgamation becoming effective in terms of this scheme, the consideration in respect of such transfer shall be subject to the provisions of this scheme be settled by the Transferee Company as follows:

(i) The Transferee Company shall issue at par and allot to the shareholder of Transferor Company, equity share in the proportion of one share of the face value of Rs.10/- each of the Transferee Company credited as fully paid up for 210 equity shares of the face value of Rs. 10/- each held by the equity shareholders of the Transferor Company on such date after the Transfer Date as the Board of Directors of the Transferee Company may determine. However, the shares held by the Transferee Company in the Transferor Company will be cancelled and extinguished and no shares of Transferee Company shall be issued in exchange of the shares held by the Transferee Company. The share exchange ratio has been considered without considering bonus issue, which the Transferee Company may issue between the transfer date and the date of allotment of the Transferee Company's shares to the shareholders of the Transferor Company. The share exchange ratio would be suitably revised if bonus shares are issued.

(ii) As a result of the allotment in the manner specified herein above, if any Equity Shareholder of the Transferor Company becomes entitled to any fractional coupon/s of equity shares of the Transferee Company no such fractional coupon/s shall be issued in respect of or representing such equity shares of the transfer company but such fractions coupon/s shall be consolidated into whole equity shares and the Board of Directors of the Transferee Company may allot any one or more of such consolidated shares to any nominee(s) as the Board of Directors may in their absolute discretion deem fit for the purpose of holding and selling of such consolidated equity shares. Every such sale of the consolidated equity shares shall be at such price or price as may be the purchase price in respect of such sale (provided the Board of Directors approve the purchaser) the Board of directors shall allot the equity shares to the approved purchaser/s. The total net sale proceeds of such consolidated Equity shares after defraying therefrom all costs, charges and expenses of sale or sales and distribution shall be distributed and divided among such equity shareholders of the Transferor company as would otherwise have been entitled to such fraction of the equity shares of the Transferee Company in proportion to their respective interest in such fractions. However, holders of less than 1 equity share in the Transferor company shall not be entitled to any shares in the Transferee company; but shall only receive the net sale proceeds in respect of their fractional entitlement as above.

(iii) In the event of any shareholder of Transferor Company becoming entitled to any odd lot shares (i.e. being allotted less than 100 shares of Transferee Company) of the Transferee Company as a result of such issue, no share

certificates shall be issued by the Transferee Company and such shares shall be consolidated into market lot of shares except if the concerned shareholder has intimated to the Transferee Company in writing that he wishes to get the odd lot of share(s) allotted to him instead of consolidation and the Board of Directors of the Transferee Company will allot such shares to any person or persons as they may in their absolute discretion deem fit for the purpose of holding and selling such whole shares at such time or times at prevailing market price (s) or such price(s) as may be considered appropriate by such person (s) and the aggregate sale proceeds of such whole shares after defraying all costs, charges and expenses of sale and distribution shall be distributed and divided pro rata amongst such members of the Transferor Company as would otherwise have been entitled to such number of odd lot shares of the Transferor Company pursuant to the Scheme.

- (iv) Equity shares so allotted by the Transferee Company to the member(s) of the Transferor Company will in all respects rank pari-passu with the existing equity shares of the Transferee Company for dividend and voting rights. Save and except that the owners of such equity shares shall only be entitled to dividend declared and paid by the Transferee Company only from the record date for the purpose of allotment of Transferee Company's shares to the member(s) of the Transferor Company pursuant to the approval of the scheme.
- (v) Immediately on amalgamation the Transferee Company shall cancel and extinguish 15 % Cumulative Redeemable Preference shares of Rs.100/- each of the Transferor Company held by the Transferee Company.
- (vi) The Transferee Company holds equity shares in the Transferor Company. On amalgamation, the equity shares held by the Transferee Company in the Transferor Company would be cancelled and extinguished.
- (vii) All members of the Transferor Company whose names appear in the register of members of the Transferor Company on such date after the effective date as the Board of Directors may determine shall surrender to the Transferee Company for cancellation their share certificates in respect of the equity shares held in the Transferor Company and the Transferee Company shall issue to them certificates for equity shares in the Transferee Company to which they may be entitled in terms of this scheme and every such shareholder of the Transferor Company shall take all steps to obtain from the Transferee Company to which he is entitled to hereunder. Upon the new equity shares being issued and allotted by the Transferee Company to the members standing on the Register of Members of the Transferor Company on the aforesaid date, share certificates in respect of the shares held by them in the Transferor Company shall be deemed to stand cancelled.

The Transferee Company shall, if not already empowered, pass a Special Resolution pursuant to Section 81 (1A) of the Companies Act, 1956 for the offer and allotment of equity shares in the Transferee Company to Transferor Company's shareholders in accordance with and subject to the provisions of this scheme.

8 Accounting Treatment of Assets, Liabilities and Reserves of the Transferor Company



(i) As on the appointed date, and subject to any corrections and adjustments as may, in the opinion of the Board of Directors of the Transferee Company be required, the reserves of the Transferor Company will be merged with those of the Transferee Company in the same form as they appear in the financial statements of the Transferor Company.

(ii) Further, in case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the amalgamation will be quantified and adjusted in the Revenue Reserve(s) as mentioned earlier to ensure that the financial statement of the Transferee Company reflects the financial position on the basis of consistency in the accounting policy.

(iii) An amount equal to the balance lying to the debit of Profit and Loss as on the appointed date in the books of Transferor Company shall be adjusted by the Transferee Company against the credit of the Share Premium Account as on the appointed date in the books of Transferor Company and the balance if any against the credit of Share Premium account of the Transferee Company.

(iv) The Amalgamation Reserve created, if any, out of transfer of assets and liabilities to the books of Transferee Company shall be treated as Revenue Reserve for all practical purposes.

(v) An amount equal to the excess of liabilities over the assets being Goodwill of the Transferor Company, if any, which would be vested in the Transferee Company shall be treated as Goodwill and shall be carried forward accordingly in the books of the Transferee company. Such goodwill carried in the Transferee Company shall be amortised to the profit and loss account over a period of 3 years to 5 years at the discretion of the Transferee Company, which may be met from its General reserve.

9a. The reliefs /concessions /commitments /obligations and the repayment of the dues of the Banks and Financial Institutions by the Transferee Company shall be governed by the main rehabilitation scheme.

9b. All assets comprising of all fixed assets and undertaking excluding Land and Building and net current assets of Halol formulation unit as going concern which will be sold by MJPL include the following:

(i) all movable properties covered under the head Fixed assets required for marketing and manufacturing of at MJPL's Unit at Halol, Dist. Panchmahal, Gujarat State, including plant, machineries, fixtures, furnitures together with all accessories, spare parts including all contracts with rights and all the permits, approvals, registrations, licenses, permissions, brands and trade marks, research rights, secret formulae, goodwill, privilege of all contracts, agreements, power and other facilities of every kind with all security deposits in connection with the said Unit but excluding the plot of land bearing No.329/2, 341/1, 6, 341/2, and the building, fixed structures, constructed /erected thereon.

(ii) The Movable fixed assets also includes all benefits, quotas, no objection certificates, rights, industrial and other licenses, privileges, benefits of all the contracts, agreements, trade marks and brands, know-how, research rights and knowledge, secret formulae, drawings, designs, documents, approvals,

registrations, sanctions, certificates, permits, rights, goodwill, etc. in the name of MJPL pertaining to the Halol formulation Unit.

- (iii) All current assets comprising of inventories of raw material, packing material, finished goods, work in progress, stores and spares, sundry receivables, loans and Advances, insurance claims, prepaid expenses, balances with central excise, deposits and advance reduced with creditors for goods, expenses, capital goods and other accrued and due as well as accrued but not due current liabilities as appearing on the date of sale of the assets as going concern in connection with Halol, formulation unit.
- (iv) The remaining movable and immovables fixed assets of Halol formulation unit, residual current assets and current liabilities save and except stated above in para (a),(b) and (c) above, of MJPL shall continue to remain vested, owned and run by MJPL as restructured by way of amalgamation with SPIL.

10. This scheme is conditional upon the following approvals and the amalgamation shall be deemed to be effective on obtaining list of the following approvals:

- (i) Approval of the scheme by a Special Resolution passed by the shareholders of the Transferee Company.
- (ii) Approval to the issue and allotment of the equity shares in the Transferee Company to equity shareholders of the Transferor Company, in accordance with and subject to the provisions of this scheme by a Resolution of the Transferee Company pursuant to Section 81(A) of the Companies Act, 1956.
- (iii) Approval and declaration under Section 72A(I) of the Income Tax Act, 1961 by BIFR / Central Government.
- (iv) Approval of the Reserve Bank of India / FERA and FEMA for issue and allotment of shares in the Transferee Company to nonresident shareholders, if any, of the Transferor Company.
- (v) Approval of BIFR and other concerned authorities for Sale of movable fixed assets and undertaking (excluding land and Building) and net current assets of Halol formulation Unit.

11. Upon this scheme being sanctioned as aforesaid the Transferor Company shall stand dissolved without winding up on such Effective Date.

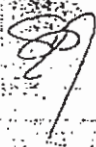
12. All costs, charges and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with the negotiation leading to or in connection with the negotiation leading upto this scheme of carrying out and completing the terms and provisions of this scheme and/or incidental to the completion of the amalgamation of the Transferor Company in pursuance of this scheme shall be borne and paid by the Transferee Company.

13. For the purpose of giving effect to this scheme the Board of Directors of the Transferee Company are authorised to give such directions as may be necessary or desirable and to settle, as they may deem fit, any questions, doubts or difficulty that may arise in connection with or in the working of the scheme including with regard to



issue and allotment of shares under Clause 7 hereof to the members of the Transferor Company and deeds and things necessary for carrying into effect this scheme.

14. A copy of the BIFR order sanctioning the Scheme of Amalgamation shall be filed with the Registrar of Companies, Maharashtra and Gujarat within one month from the date of the order sanctioning the scheme is received by the Transferee Company.



AMALGAMATION
OF
BAZLEY FINVEST LIMITED
WITH
SUN PHARMACEUTICAL INDUSTRIES LTD

CORRECTED BY

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U/O No. 22749/05 (Rs.)
Company charges
Total Rs 14.00

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
(ORIGINAL JURISDICTION)

COMPANY PETITION NO. 41 OF 2005
CONNECTED WITH
COMPANY APPLICATION NO. 85 OF 2005

Section Officer
Deputy Registrar
16/8/2005

copy applied on 15-7-05
copy ready on 16-8-05
copy delivered on

sent by Post

Assistant Registrar 16/8/05



In the matter of
Scheme of Arrangement under Section 391
and 394 of the Companies Act, 1956

And
In the matter of
Bazley Finvest Limited.
A Company registered under the Companies
Act, 1956 and having its registered office at
3rd Floor, Syn ergy House, Gorwa Road,
Subhanpura, Vadodara 390 007 in the state
of Gujarat.

And
In the matter of Scheme of Amalgamation
between Bazley Finvest Limited, Dahval
Finvest Limited and Manish Finvest Limited
and Sun Pharmaceutical Industries Limited.

Bazley Finvest Limited.
A Company registered under the Companies
Act, 1956 and having its registered office
at 3rd Floor, Syn ergy House, Gorwa Road,
Subhanpura, Vadodara 390 007 in the
state of Gujarat..... Petitioner

BEFORE HONOURABLE Mr. JUSTICE K. A. Puj

Date : 14th July 2005

Order On Petition

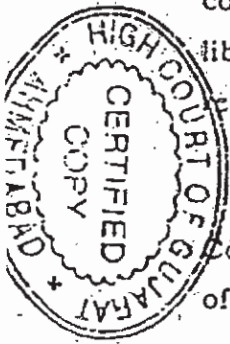
The above petition coming on for hearing on 14th July 2005, upon reading the said petition, the order dated 7th March 2005, passed in the Company Application No. 85 of 2005 whereby the meetings of the Equity shareholders as well as unsecured creditors of the company (there being no secured creditors), for the purpose of considering, and if thought fit, approving, with or without modification the compromise or arrangement proposed to be made between the said Company and its members by the scheme of Amalgamation of Bazley Finvest Limited, the petitioner company, with Sun Pharmaceutical Industries Limited were dispensed with, and upon hearing Smt. Swati Soparkar, Advocate for the petitioner Company, and considering the observations made vide letter dt. 21st June 2005 by the Registrar of Companies, Gujarat alongwith the letter dt. 16th June 2005 by the Regional Director, Dept.

of Company Affairs, and it appearing from the consent letters that the proposed compromise or arrangement has been approved unanimously by the Equity Shareholders and unsecured creditors of the company (there being no secured creditors), and it appearing from the report dated 27th April 2005 of the Official Liquidator, Gujarat High Court, that the affairs of the Company have not been conducted in a manner prejudicial to the interest of its members or to the public interest.

This Court doth hereby sanction the compromise or arrangement set forth in para 8 of the petition herein and in the Schedule hereto, and doth hereby declare the same to be binding on the Equity shareholders as well as the unsecured creditors of the abovenamed company and also on the abovenamed company.

And this Court doth further order that parties to the compromise or arrangement or other persons interested shall be at liberty to apply to this Court for any direction that may be necessary in regard to the working of the compromise or arrangement, and

That the said company do file with the Registrar of the Companies a certified copy of this order within 30 days from the receipt of the same.



SCHEDULE

Scheme of Compromise or Arrangement as sanctioned by the court.

Dated this 14th July 2005.

[Handwritten signature]

SCHEME OF AMALGAMATION OF
BAZLEY FINVEST LIMITED,
DHAVAL FINVEST LIMITED
AND
MANISH FINVEST LIMITED
WITH
SUN PHARMACEUTICAL INDUSTRIES LIMITED

1. DEFINITIONS

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

(a) 'The Transferor Companies' means Bazley Finvest Limited, Dhaval Finvest Limited and Manish Finvest Limited, companies incorporated under the Companies Act, 1956 and having its Registered Office at Synergy House, Gorwa Road, Subhanpura, Vadodara- 390 007.

(b) 'The Transferee Company' means Sun Pharmaceutical Industries Limited, a Company registered under the Companies Act, 1956 and having its Registered Office at SFARC, Tandalja., Vadodara - 390 020.

(c) 'The Act' means Companies Act, 1956 including any statutory modifications, re-enactments or amendments thereof.

(d) 'The Appointed Date' means the commencement of 1st day of March, 2005.

(e) 'The Effective Date' means the last of the dates on which the sanctions/approvals or orders as specified in Clause No. 15 of this Scheme have been obtained.

(f) 'Undertaking' shall mean and include :

i) All the assets of the Transferor Companies as on the appointed date (hereinafter referred to 'the said Assets').

ii) All debts, liabilities, duties and obligations of the Transferor Companies as on the appointed date (hereinafter referred to 'the said Liabilities').

iii) "Without prejudice to the generality of Sub-clause (a) above the undertaking of the transferor companies shall include all the Transferor Companies' reserves, provisions, funds, moveable and immovable properties, assets including investments, claims, powers, authorities, allotments, approvals, consents, registrations, contracts, enactments, arrangements, rights, titles, interest, benefits, advantages, lease-hold rights and other intangible rights, industrial and other licences, permits, authorisations, quota, rights, trade marks, patents, brands,

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secret formulae, drawings, research, rights and other industrial intellectual properties, imports, telephone/facsimile/ telex and other communication facilities and equipments including Computers, Hardwares, Softwares, and other electronic equipments and instruments, system of any kind whatsoever, rights and benefits of all agreements and other interests including rights & benefits under various schemes of different Taxation Laws as may belong to or be available to the Transferor Company rights and powers of every kind, nature and description of whatsoever probabilities, authorized share capital of the Transferor Companies, liberties, easements, advantages, and approval of whatsoever nature and wheresoever situated, belonging to or in ownership, power or possession or control or entitlement of the Transferor Companies.

(g) The Scheme means This Scheme of Amalgamation in its present form submitted to the High Court of Gujarat at Ahmedabad for sanction with any modification(s), approved or imposed or directed by the said High Court.

2. TRANSFER OF UNDERTAKING :

(a) With effect from the Appointed date and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the undertaking of the Transferor Companies shall, without any further act or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to or vested in the Transferee Company pursuant to the provisions of Section 394 and other applicable provisions of the Act.

(b) With effect from the appointed date, and subject to the provisions of this Scheme, the said liabilities shall also be and shall stand transferred or deemed to have been transferred without any further act, instrument or deed to the Transferee Company, pursuant to the provisions of Section 394 of the Act, so as to become as and from the Appointed date, the debts, liabilities, duties and obligation 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.

3. CONTRACTS, DEEDS AND OTHER INSTRUMENTS :

Subject to all the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which the Transferor Companies is a party or to the benefit of which the Transferor Companies may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be 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 Companies, 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

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confirmations or enter into a tripartite arrangement, confirmation or novation to which the Transferor Companies will, if necessary also be a party in order to give formal effect to this Clause if so required or become necessary.

4. LEGAL PROCEEDINGS :

All suits, claims, actions and proceedings by or against the Transferor Companies pending and/or arising on or before the date on which this Scheme shall finally take effect shall be continued and enforced by the Transferee Company as effectively as if the same has been pending or arising against the Transferee Company.

5. OPERATIVE DATE OF THE SCHEME :

This Scheme, though effective from the Appointed date shall be operative from the effective date.

6. CONDUCT OF BUSINESS BY TRANSFEROR COMPANIES TILL EFFECTIVE DATE:

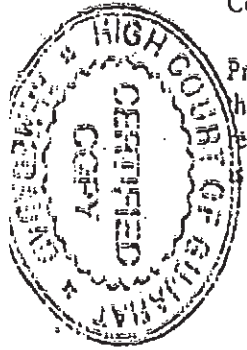
With effect from the Appointed Date, and upto the Effective Date :

(i) The Transferor Companies shall carry on or deemed to have carried on all its business and activities and shall be deemed to have held or stood possessed of and shall hold and stand possessed of all the said Assets for and an account of and in trust for the Transferee Company.

(ii) All the profits or income accruing or arising to the Transferor Companies or expenditure or losses arising or incurred by the Transferor Companies shall for all purposes be treated and be deemed to be and accrued as the profits and income or expenditure or losses of the Transferee Company, as the case may be.

(iii) The Transferor Companies shall carry on its business activities with reasonable diligence, business prudence and shall not alienate, charge, mortgage, encumber or otherwise deal with the said assets or any part thereof except in the ordinary course of business or pursuant to any pre-existing obligation undertaken by the Transferor Companies prior to the Appointed Date except with prior written consent of the Transferee Company.

Provided that as far as the obligations referred as above are concerned, the restrictions hereunder shall be applicable from the date of the acceptance of the present Scheme by the respective Board of Directors of the Transferor and Transferee Company even if the same is prior to the Appointed date.



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(iv) The Transferor Companies shall not vary the terms and conditions and employment of its permanent employees if any, except in ordinary course of business.

(v) The Transferor Companies shall not, without prior written consent of the Transferee Company, undertake any new business.

(vi) The Transferor Companies shall not, without prior written consent of the Transferee Company, take any major policy decisions in respect of management of the Company and for the business of the Company and shall not change its present capital structure.

7. CANCELLATION OF SHARES HELD BY THE TRANSFEREE COMPANY IN THE TRANSFEROR COMPANIES:

All the Transferor Companies are wholly owned subsidiaries of the Transferee Company. In view of this the shares held by the Transferee Company in the Transferor Companies will be cancelled and extinguished and no shares of Transferee Company shall be issued in exchange of the shares held by the Transferee Company.

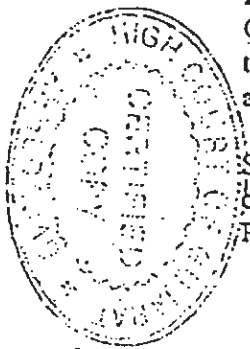
8. ACCOUNTING TREATMENT OF ASSETS, LIABILITIES AND RESERVES OF THE TRANSFEROR COMPANIES:

(i) As on the appointed Date, and subject to any corrections and adjustments as may, in the opinion of the Transferee Company be required, the reserves of the Transferor Companies will be merged with those of the Transferee Company as reduced by the balances of Preliminary Expenses & Pre-operative expenses of the Transferor Companies in the same form as appeared in the financial statement of the Transferor Companies.

(ii) The differences between the amount of the share capital of the Transferor Companies and the investment amounts shown as the investments in the share capital of the Transferor Companies by the Transferee Company will be considered as the acquisition of Goodwill by the Transferee Company and be debited in the books of the Transferee Company to Goodwill Account.

Further, an amount equal to the excess of liabilities, if any over the assets of the Transferor Companies being Goodwill of the Transferor Companies, if any which would be vested in the Transferee Company shall be treated as Goodwill and shall be carried forward accordingly in the books of the Transferee company.

Such Goodwill, created as above, carried in the Transferee Company shall be amortized over a period of 1 year to 3 years, out of its Profit and Loss Account and/or General Reserve at the discretion of the Transferee Company.



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The Amalgamation Reserve created, if any, out of transfer of assets and liabilities of the Transferor Companies to the books of Transferee Company shall be treated as Revenue Reserve for all practical purposes.

Further, the Amalgamation Reserve and/or Goodwill created under this clause shall be netted of.

(iii) Further, in case of any difference in accounting policy between the Transferor Companies and the Transferee Company, the impact of the same till the amalgamation will be quantified and adjusted in the Revenue Reserve(s) as mentioned earlier to ensure that the financial statement to the Transferee Company reflects the financial position on the basis of consistency in the accounting policy.

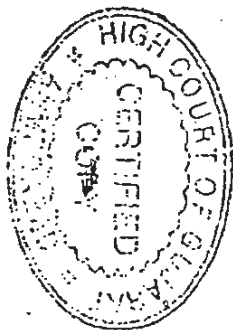
(iv) An amount equal to the balance lying to the credit of Profit and Loss Account in the books of the Transferor Companies shall be credited by the Transferee Company to its Profit and Loss Account and shall constitute the Transferee Company's free reserve as effectively as if the same was created by the Transferee Company out of its own earned and distributable profits.

9. AMENDMENTS IN MEMORANDUM & ARTICLES OF ASSOCIATION OF THE TRANSFEREE COMPANY

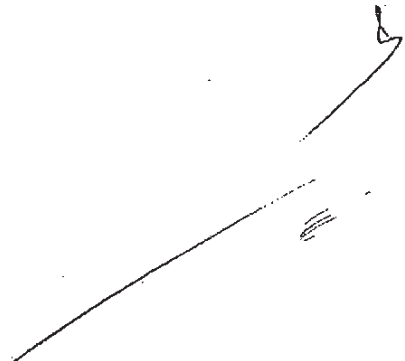
Upon the coming in to effect this Scheme :

Clause V of the Memorandum of Association and Article 4 of the Articles of Association of the Transferee Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Section 16, 31 and 94 and other applicable provisions of the Act, as the case may be, in the manner set out below and be replaced by the following clause :

"The Authorised Share Capital of the Company is 1,306,000,000/- (Rupees One Thousand Three Hundred and Six Millions Only) divided into 255,900,000 (Two Hundred Fifty Five Millions and Nine Hundred Thousands) Equity Shares of Rs. 5/- (Rupees Five Only) each 25,000,000 (Twenty Five Millions) Preference Share of Re. 1/- (Rupee One Only) each and 15,000 (Fifteen Five Thousands) Preference Shares of Rs.100 (Rupees One Hundred only) each, with power to increase or



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reduce such capital from time to time and power to divide the shares in the capital for time being into other classes and to attach thereto respectively such preferential, convertible, deferred, qualified or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the regulations of the Company or the provisions of the law for the time being in force."

10. **DIVIDEND, PROFIT, BONUS, RIGHT SHARES :**

At any time upto the Effective Date

- (a) The Transferor Companies shall not declare/or pay dividends which are interim or final to the respective members relating to any period commencing on or after the Appointed Date unless agreed to by the Board of Directors of the Transferee Company.
- (b) The Transferor Companies shall not issue or allot any right shares, or Bonus Shares or any other security converting into Equity or other Share Capital or obtain any other financial assistance converting into Equity or other Share Capital, unless agreed to by the Transferee Company.

11. **DISSOLUTION OF THE COMPANY:**

The Transferor Companies shall be dissolved without winding up on an order made by the High Court of Ahmedabad under Section 394 of the Companies Act.

12. **APPLICATION(S) TO THE HIGH COURT :**

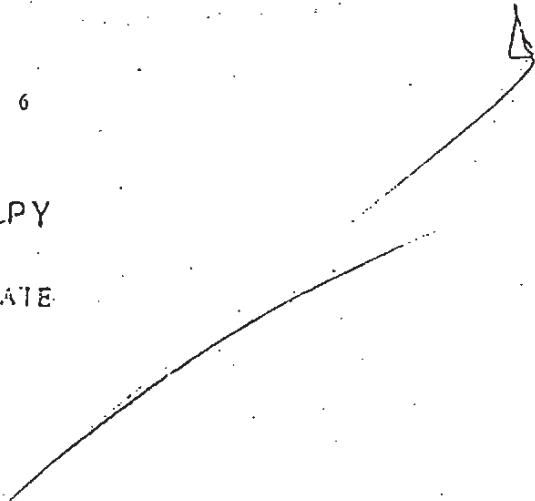
The Transferor Companies with all reasonable despatch, make applications/petitions under Sections 391 and 394 and other applicable provisions of the Act to the High Court of Gujarat at Ahmedabad for sanctioning of this Scheme and for dissolution of the Transferor Companies without winding up under the provisions of the Act.

The Transferee Company, if necessary and to the extent necessary, shall also with reasonable despatch make applications/petitions under Sections 391 and 394 and other applicable provisions of the Act to the High Court of Gujarat at Ahmedabad for sanctioning of the Scheme under the provisions of the Act.



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13. MODIFICATIONS, AMENDMENTS TO THE SCHEME :

The Transferor Companies (by its Directors) and Transferee Company (by its Directors) may assent from time to time on behalf of persons concerned to any modifications/amendments to this Scheme or any conditions or limitations which the respective High Court of Gujarat at Ahmedabad or any authorities under the Law may deem fit to approve or impose and to resolve any doubt or difficulties that may arise for carrying out this Scheme and to do and execute all such acts, deeds, matters and things necessary for putting the Scheme into effect.

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

14. SCHEME CONDITIONAL UPON APPROVALS/SANCTIONS :

This Scheme is specifically conditional upon and subject to the sanctions of the High Court of Gujarat at Ahmedabad being obtained under Sections 391 and 394 and other applicable provisions of the Act, if so required on behalf of the Transferor Companies and Transferee Company.

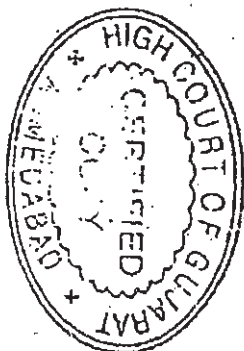
15. EFFECTIVE DATE OF THE SCHEME :

This Scheme although to come into operation from 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 here in above referred to have been obtained or passed; and
- (b) the date on which all necessary certified copies of the order under sections 391 and 394 of the Act are duly filed with the respective Registrar of Companies of Gujarat, Dadra & Nagar Haveli and such date shall be referred to as Effective Date for the purpose of the Scheme.

16. EFFECT OF NON-RECEIPT OF APPROVAL/SANCTION :

In the event of any of the said sanction and approval referred to in the preceding Clause No. 13 and 14 above not being obtained and/or the Scheme not being sanctioned by the High Court and/or the Order(s) not being passed as aforesaid before 30/11/2005 or within such further period(s) as may be agreed upon from time to time between the Transferor Companies (by its Directors) and the Transferee Company (by its Directors) and the Board of the Directors of both the Companies are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any



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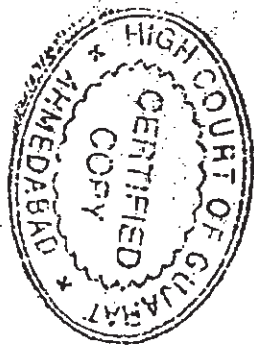
limitations in exercise of their power through and by their respective delegates, this Scheme shall stand revoked, cancelled and be of no effect save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, obligation and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in this Scheme and or otherwise arise as per Law,

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17. EXPENSES CONNECTED WITH THE SCHEME :

All costs, charges and expenses of the Transferor Companies and the Transferee Company respectively in relation to or in connection with or incidental to this Scheme shall be respectively borne by the Transferor and Transferee Companies.

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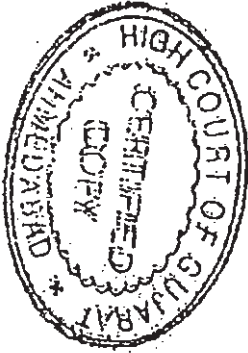
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Dated this 14th day of July 2005.

Witness Bhavani Sinh Esquire,

the Chief Justice at Ahmedabad

aforesaid this 14th day of July Two Thousand Five.



By the order of the Court

Sanjay B. Bhatnagar
Registrar (Judicial)

This 16th day of August 2005

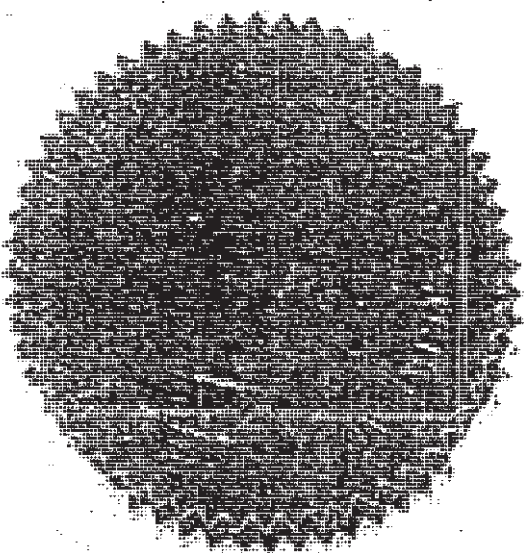
Order drawn by :

Swati Saurabh Soparkar

(Swati Saurabh Soparkar)

Advocate

204, Aakanksha, Opp. Vadilal House,
Nr. Mount Carmel Railway Crossing,
Navrangpura, Ahmedabad.



Sealer

D. P. Bhatnagar

This 16th day of August 2005

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ASSTANT REGISTRAR

AMALGAMATION
OF
DHAVAL FINVEST LIMITED
WITH
SUN PHARMACEUTICAL INDUSTRIES LTD

connected by - 16/8/05

UPPER 22751/05
Cost
Total Rs. 14.00

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
(ORIGINAL JURISDICTION)

COMPANY PETITION NO. 42 OF 2005
CONNECTED WITH
COMPANY APPLICATION NO. 86 OF 2005

Swati Adv.
16/8/2005

Application on 15-7-05
Order on 16-8-05
AP 16/8/05

In the matter of
Scheme of Arrangement under Section 391
and 394 of the Companies Act, 1956

And

In the matter of
Dhaval Finvest Limited.

A Company registered under the Companies
Act, 1956 and having its registered office at
3rd Floor, Syn ergy House, Gorwa Road,
Subhanpura, Vadodara 390 007 in the state
of Gujarat.

And

In the matter of Scheme of Amalgamation
between Bazley Finvest Limited, Dhaval
Finvest Limited and Manish Finvest Limited
and Sun Pharmaceutical Industries Limited.

Dhaval Finvest Limited.

A Company registered under the Companies
Act, 1956 and having its registered office
at 3rd Floor, Syn ergy House, Gorwa Road,
Subhanpura, Vadodara 390 007 in the
state of Gujarat.

Petitioner

BEFORE HONOURABLE Mr. JUSTICE K. A. Puj

Date : 14th July 2005

Order On Petition



The above petition coming on for hearing on 14th July 2005,
upon reading the said petition, the order dated 7th March 2005 passed in
the Company Application No. 86 of 2005 whereby the meetings of the
Equity shareholders as well as unsecured creditors of the company (there
being no secured creditors), for the purpose of considering, and if
thought fit, approving, with or without modification the compromise or
arrangement proposed to be made between the said Company and its
members by the scheme of Amalgamation of Dhaval Finvest Limited,
the petitioner company, with Sun Pharmaceutical Industries Limited
were dispensed with, and upon hearing Smt. Swati Soparkar, Advocate
for the petitioner Company, and considering the observations made vide
letter dt. 21st June 2005 by the Registrar of Companies, Gujarat
alongwith the letter dt. 16th June 2005 by the Registrar of Companies, Gujarat

Swati Adv.

of Company Affairs, and it appearing from the consent letters that the proposed compromise or arrangement has been approved unanimously by the Equity Shareholders and unsecured creditors of the company (there being no secured creditors), and it appearing from the report dated 27th April 2005 of the Official Liquidator, Gujarat High Court, that the affairs of the Company have not been conducted in a manner prejudicial to the interest of its members or to the public interest.

This Court doth hereby sanction the compromise or arrangement set forth in para 8 of the petition herein and in the Schedule hereto, and doth hereby declare the same to be binding on the Equity shareholders as well as the unsecured creditors of the abovenamed company and also on the abovenamed company.

And this Court doth further order that parties to the compromise or arrangement or other persons interested shall be at liberty to apply to this Court for any direction that may be necessary in regard to the working of the compromise or arrangement, and

That the said company do file with the Registrar of the Companies a certified copy of this order within 30 days from the receipt of the same.

SCHEDULE

Scheme of Compromise or Arrangement as sanctioned by the court.

Dated this 14th July 2005.



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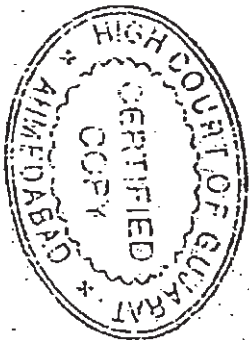
**SCHEME OF AMALGAMATION OF
BAZLEY FINVEST LIMITED,
DHAVAL FINVEST LIMITED
AND
MANISH FINVEST LIMITED
WITH
SUN PHARMACEUTICAL INDUSTRIES LIMITED**

I. DEFINITIONS

In this Scheme unless inconsistent with the subject or context, the following expression shall have the following meanings :-

- (a) The Transferor Companies' means Bazley Finvest Limited, Dhaval Finvest Limited and Manish Finvest Limited, companies incorporated under the Companies Act, 1956 and having its Registered Office at Synergy House, Gorwa Road, Subhanpura, Vadodara- 390 007.
- (b) The Transferee Company' means Sun Pharmaceutical Industries Limited, a Company registered under the Companies Act, 1956 and having its Registered Office at SPARC, Tandalja,, Vadodara - 390 020.
- (c) The Act' means Companies-Act, 1956 including any statutory modifications, re-enactments or amendments thereof.
- (d) The Appointed Date' means the commencement of 1st day of March, 2005.
- (e) The Effective Date' means the last of the dates on which the sanctions/approvals or orders as specified in Clause-No.15 of this Scheme have been obtained.
- (f) 'Undertaking' shall mean and include :

- i) All the assets of the Transferor Companies as on the appointed date (hereinafter referred to 'the said Assets').
- ii) All debts, liabilities, duties and obligations of the Transferor Companies as on the appointed date (hereinafter referred to 'the said Liabilities').
- iii) "Without prejudice to the generality of Sub-clause (a) above the undertaking of the transferor companies shall include all the Transferor Companies' reserves, provisions, funds, moveable and immovable properties, assets including investments, claims, powers, authorities, allotments, approvals, consents, registrations, contracts, enactments, arrangements, rights, titles, interest, benefits, advantages, lease-hold rights and other intangible rights, industrial and other licences, permits, authorisations, quota, rights, trade marks, patents, brands,



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secret formulae, drawings, research rights and other industrial intellectual properties, imports, telephone/facsimile/ telex and other communication facilities and equipments including Computers, Hardwares, Softwares, and other electronic equipments and instruments, system of any kind whatsoever, rights and benefits of all agreements and other interests including rights & benefits under various schemes of different Taxation Laws as may belong to or be available to the Transferor Company rights and powers of every kind, nature and description of whatsoever probabilities, authorized share capital of the Transferor Companies, liberties, easements, advantages, and approval of whatsoever nature and wheresoever situated, belonging to or in ownership, power or possession or control or entitlement of the Transferor Companies.

(g) 'The Scheme' means This Scheme of Amalgamation in its present form submitted to the High Court of Gujarat at Ahmedabad for sanction with any modification(s), approved or imposed or directed by the said High Court.

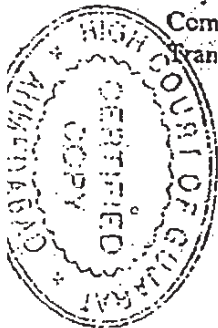
2. TRANSFER OF UNDERTAKING :

(a) With effect from the Appointed date and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the undertaking of the Transferor Companies shall, without any further act or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to or vested in the Transferee Company pursuant to the provisions of Section 394 and other applicable provisions of the Act.

(b) With effect from the appointed date, and subject to the provisions of this Scheme, the said liabilities shall also be and shall stand transferred or deemed to have been transferred without any further act, instrument or deed to the Transferee Company, pursuant to the provisions of Section 394 of the Act, so as to become as and from the Appointed date, the debts, liabilities, duties and obligation 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.

3. CONTRACTS, DEEDS AND OTHER INSTRUMENTS :

Subject to all the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which the Transferor Companies is a party or to the benefit of which the Transferor Companies may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be 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 Companies, 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



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confirmations or enter into a tripartite arrangement, confirmation or novation to which the Transferor Companies will, if necessary also be a party in order to give formal effect to this Clause if so required or become necessary.

4. LEGAL PROCEEDINGS :

All suits, claims, actions and proceedings by or against the Transferor Companies pending and/or arising on or before the date on which this Scheme shall finally take effect shall be continued and enforced by the Transferee Company as effectively as if the same has been pending or arising against the Transferee Company.

5. OPERATIVE DATE OF THE SCHEME :

This Scheme, though effective from the Appointed date shall be operative from the effective date.

6. CONDUCT OF BUSINESS BY TRANSFEROR COMPANIES TILL EFFECTIVE DATE:

With effect from the Appointed Date, and upto the Effective Date :

(i) The Transferor Companies shall carry on or deemed to have carried on all its business and activities and shall be deemed to have held or stood possessed of and shall hold and stand possessed of all the said Assets for and an account of and in trust for the Transferee Company.

(ii) All the profits or income accruing or arising to the Transferor Companies or expenditure or losses arising or incurred by the Transferor Companies shall for all purposes be treated and be deemed to be and accrued as the profits and income or expenditure or losses of the Transferee Company, as the case may be.

(iii) The Transferor Companies shall carry on its business activities with reasonable diligence, business prudence and shall not alienate, charge, mortgage, encumber or otherwise deal with the said assets or any part thereof except in the ordinary course of business or pursuant to any pre-existing obligation undertaken by the Transferor Companies prior to the Appointed Date except with prior written consent of the Transferee Company.

Provided that as far as the obligations referred as above are concerned, the restrictions thereunder shall be applicable from the date of the acceptance of the present Scheme by the respective Board of Directors of the Transferor and Transferee Company even if the same is prior to the Appointed date.



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(iv) The Transferor Companies shall not vary the terms and conditions and employment of its permanent employees if any, except in ordinary course of business.

(v) The Transferor Companies shall not, without prior written consent of the Transferee Company, undertake any new business.

(vi) The Transferor Companies shall not, without prior written consent of the Transferee Company, take any major policy decisions in respect of management of the Company and for the business of the Company and shall not change its present capital structure.

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All the Transferor Companies are wholly owned subsidiaries of the Transferee Company. In view of this the shares held by the Transferee Company in the Transferor Companies will be cancelled and extinguished and no shares of Transferee Company shall be issued in exchange of the shares held by the Transferor Companies.

8. ACCOUNTING TREATMENT OF ASSETS, LIABILITIES AND RESERVES OF THE TRANSFEROR COMPANIES:

(i) As on the appointed Date, and subject to any corrections and adjustments as may, in the opinion of the Transferee Company be required, the reserves of the Transferor Companies will be merged with those of the Transferee Company as reduced by the balances of Preliminary Expenses & Pre-operative expenses of the Transferor Companies in the same form as appeared in the financial statement of the Transferor Companies.

(ii) The differences between the amount of the share capital of the Transferor Companies and the investment amounts shown as the investments in the share capital of the Transferor Companies by the Transferee Company will be considered as the acquisition of Goodwill by the Transferee Company and be debited in the books of the Transferee Company to Goodwill Account.

Further, an amount equal to the excess of liabilities, if any over the assets of the Transferor Companies being Goodwill of the Transferor Companies, if any which would be vested in the Transferee Company shall be treated as Goodwill and shall be carried forward accordingly in the books of the Transferee company.

Such Goodwill, created as above, carried in the Transferee Company shall be amortized over a period of 1-year to 3 years, out of its Profit and Loss Account and/or General Reserve at the discretion of the Transferee Company.



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Further, the Amalgamation Reserve and/or Goodwill created under this clause shall be netted of.

(iii) Further, in case of any difference in accounting policy between the Transferor Companies and the Transferee Company, the impact of the same till the amalgamation will be quantified and adjusted in the Revenue Reserve(s) as mentioned earlier to ensure that the financial statement to the Transferee Company reflects the financial position on the basis of consistency in the accounting policy.

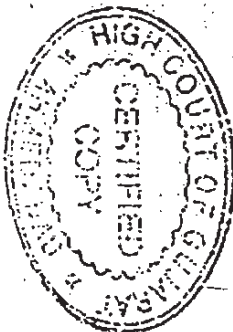
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9. **AMENDMENTS IN MEMORANDUM & ARTICLES OF ASSOCIATION OF THE TRANSFEEE COMPANY**

Upon the coming in to effect this Scheme :

Clause V of the Memorandum of Association and Article 4 of the Articles of Association of the Transferee Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Section 16, 31 and 94 and other applicable provisions of the Act, as the case may be, in the manner set out below and be replaced by the following clause :

"The Authorised Share Capital of the Company is 1,306,000,000/- (Rupees One Thousand Three Hundred and Six Millions Only) divided into 255,900,000 (Two Hundred Fifty Five Millions and Nine Hundred Thousands) Equity Shares of Rs. 5/- (Rupees Five Only) each 25,000,000 (Twenty Five Millions) Preference Share of Re. 1/- (Rupee One Only) each and 15,000 (Fifteen Five Thousands) Preference Shares of Rs.100 (Rupees One Hundred only) each, with power to increase or



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At any time upto the Effective Date

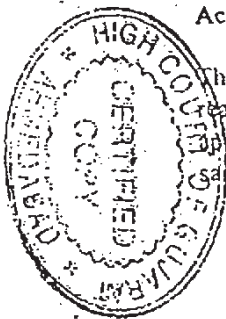
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11. DISSOLUTION OF THE COMPANY:

The Transferor Companies shall be dissolved without winding up on an order made by the High Court of Ahmedabad under Section 394 of the Companies Act.

12. APPLICATION(S) TO THE HIGH COURT:

The Transferor Companies with all reasonable despatch, make applications/petitions under Sections 391 and 394 and other applicable provisions of the Act to the High Court of Gujarat at Ahmedabad for sanctioning of this Scheme and for dissolution of the Transferor Companies without winding up under the provisions of the Act.



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The Transferor Companies (by its Directors) and Transferee Company (by its Directors) may assent from time to time on behalf of persons concerned to any modifications/amendments to this Scheme or any conditions or limitations which the respective High Court of Gujarat at Ahmedabad or any authorities under the Law may deem fit to approve or impose and to resolve any doubt or difficulties that may arise for carrying out this Scheme and to do and execute all such acts, deeds, matters and things necessary for putting the Scheme into effect.

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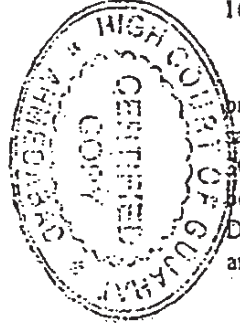
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This Scheme although to come into operation from Appointed Date shall not come into effect until the last date viz.

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- (b) the date on which all necessary certified copies of the order under sections 391 and 394 of the Act are duly filed with the respective Registrar of Companies of Gujarat, Dadra & Nagar Haveli and such date shall be referred to as Effective Date for the purpose of the Scheme.

16. EFFECT OF NON-RECEIPT OF APPROVAL/SANCTION :

In the event of any of the said sanction and approval referred to in the preceding Clause No. 13 and 14-above not being obtained and/or the Scheme not being sanctioned by the High Court and/or the Order(s) not being passed, as aforesaid before 30/11/2005 or within such further period(s) as may be agreed upon from time to time between the Transferor Companies (by its Directors) and the Transferee Company (by its Directors) and the Board of the Directors of both the Companies are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any



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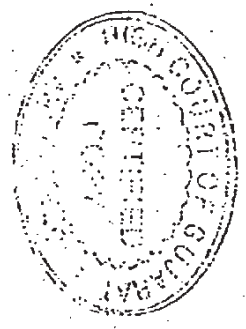
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limitations in exercise of their power through and by their respective delegates, this Scheme shall stand revoked, cancelled and be of no effect save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to 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 and or otherwise arise as per Law,

17. EXPENSES CONNECTED WITH THE SCHEME :

All costs, charges and expenses of the Transferor Companies and the Transferee Company respectively in relation to or in connection with or incidental to this Scheme shall be respectively borne by the Transferor and Transferee Companies.



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Dated this 14th day of July 2005.

Witness Bhavani Sinh Esquire,
the Chief Justice at Ahmedabad

aforesaid this 14th day of July Two Thousand Five.

By the order of the Court

G. K. Vaidya
Registrar (Judicial)

This ^{16th} day of August 2005

Order drawn by :

Swati Saurabh Soparkar

(Swati Saurabh Soparkar)

Advocate

204, Aakanksha, Opp. Vadilal House,

Nr. Mount Carmel Railway Crossing,

Navrangpura, Ahmedabad.

Sealer

Dr. Shri...

This 16th day of August 2005

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APPOINTED REGISTRAR
THIS 16-08-05 DAY OF

AMALGAMATION
OF
MANISH FINVEST LIMITED
WITH
SUN PHARMACEUTICAL INDUSTRIES LTD

- 1 - U/O No. 22750/05 28
connected by 16/85
Total No. (14)

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
(ORIGINAL JURISDICTION)

Copy filed on 15-07-05
Copy filed on 16-08-05
Filed by Pooja
Assistant 16/85

COMPANY PETITION NO. 43 OF 2005
CONNECTED WITH
COMPANY APPLICATION NO. 87 OF 2005

Section Officer
Deputy Registrar
16.11.05

In the matter of
Scheme of Arrangement under Section 391
and 394 of the Companies Act, 1956

And

In the matter of
Manish Finvest Limited.
A Company registered under the Companies
Act, 1956 and having its registered office at
3rd Floor, Syn. ergy House, Gorwa Road,
Subhanpura, Vadodara 390 007 in the state
of Gujarat.

And

In the matter of Scheme of Amalgamation
between Bazley Finvest Limited, Dahval
Finvest Limited and Manish Finvest Limited
and Sun Pharmaceutical Industries Limited.

Manish Finvest Limited.

A Company registered under the Companies
Act, 1956 and having its registered office
at 3rd Floor, Syn. ergy House, Gorwa Road,
Subhanpura, Vadodara 390 007 in the
state of Gujarat.....

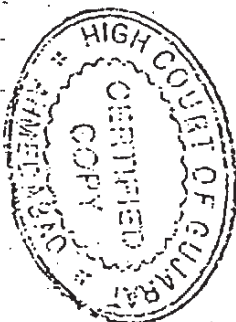
Petitioner

BEFORE HONOURABLE Mr. JUSTICE K. A. Puj

Date : 14th July 2005

Order On Petition

The above petition coming on for hearing on 14th July 2005, upon reading the said petition, the order dated 7th March 2005 passed in the Company Application No. 87 of 2005 whereby the meetings of the Equity shareholders as well as unsecured creditors of the company (there being no secured creditors), for the purpose of considering, and if thought fit, approving, with or without modification the compromise or arrangement proposed to be made between the said Company and its members by the scheme of Amalgamation of Manish Finvest Limited, the petitioner company, with Sun Pharmaceutical Industries Limited were dispensed with, and upon hearing Smt. Swati Soparkar, Advocate for the petitioner Company, and considering the observations made vide letter dt. 21st June 2005 by the Registrar of Companies, Gujarat



of Company Affairs, and it appearing from the consent letters that the proposed compromise or arrangement has been approved unanimously by the Equity Shareholders and unsecured creditors of the company (there being no secured creditors), and it appearing from the report dated 27th April 2005 of the Official Liquidator, Gujarat High Court, that the affairs of the Company have not been conducted in a manner prejudicial to the interest of its members or to the public interest.

This Court doth hereby sanction the compromise or arrangement set forth in para 8 of the petition herein and in the Schedule hereto, and doth hereby declare the same to be binding on the Equity shareholders as well as the unsecured creditors of the abovenamed company and also on the abovenamed company.

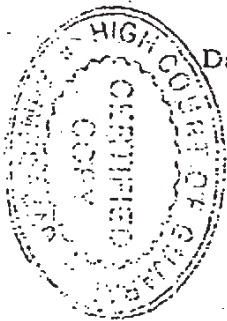
And this Court doth further order that parties to the compromise or arrangement or other persons interested shall be at liberty to apply to this Court for any direction that may be necessary in regard to the working of the compromise or arrangement, and

That the said company do file with the Registrar of the Companies a certified copy of this order within 30 days from the receipt of the same.

SCHEDULE

Scheme of Compromise or Arrangement as sanctioned by the court.

Dated this 14th July 2005.



3-

**SCHEME OF AMALGAMATION OF
BAZLEY FINVEST LIMITED,
DHAVAL FINVEST LIMITED
AND
MANISH FINVEST LIMITED
WITH
SUN PHARMACEUTICAL INDUSTRIES LIMITED**

I. DEFINITIONS

In this Scheme unless inconsistent with the subject or context, the following expression shall have the following meanings :-

(a) 'The Transferor Companies' means Bazley Finvest Limited, Dhaval Finvest Limited and Manish Finvest Limited, companies incorporated under the Companies Act, 1956 and having its Registered Office at Synergy House, Gorwa Road, Subhanpura, Vadodara- 390 007.

(b) 'The Transferee Company' means Sun Pharmaceutical Industries Limited, a Company registered under the Companies Act, 1956 and having its Registered Office at SPARC, Tandalja, Vadodara - 390 020.

(c) 'The Act' means Companies Act, 1956 including any statutory modifications, re-enactments or amendments thereof.

(d) 'The Appointed Date' means the commencement of 1st day of March, 2005.

(e) 'The Effective Date' means the last of the dates on which the sanctions/approvals or orders as specified in Clause No.15 of this Scheme have been obtained.

(f) 'Undertaking' shall mean and include :

- i) All the assets of the Transferor Companies as on the appointed date (hereinafter referred to 'the said Assets').
- ii) All debts, liabilities, duties and obligations of the Transferor Companies as on the appointed date (hereinafter referred to 'the said Liabilities').

iii) "Without prejudice to the generality of Sub-clause (a) above the undertaking of the transferor companies shall include all the Transferor Companies' reserves, provisions, funds, moveable and immovable properties, assets including investments, claims, powers, authorities, allotments, approvals, consents, registrations, contracts, enactments, arrangements, rights, titles, interest, benefits, advantages, lease-hold rights and other intangible rights, industrial and other licences, permits, authorisations, quota, rights, trade marks, patents, brands,

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secret formulae, drawings, research rights and other industrial intellectual properties, imports, telephone/facsimile/ telex and other communication facilities and equipments including Computers, Hardwares, Softwares, and other electronic equipments and instruments, system of any kind whatsoever, rights and benefits of all agreements and other interests including rights & benefits under various schemes of different Taxation Laws as may belong to or be available to the Transferor Company rights and powers of every kind, nature and description of whatsoever probabilities, authorized share capital of the Transferor Companies, liberties, easements, advantages, and approval of whatsoever nature and wheresoever situated, belonging to or in ownership, power or possession or control or entitlement of the Transferor Companies.

(g) 'The Scheme' means This Scheme of Amalgamation in its present form submitted to the High Court of Gujarat at Ahmedabad for sanction with any modification(s), approved or imposed or directed by the said High Court.

2. TRANSFER OF UNDERTAKING :

(a) With effect from the Appointed date and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the undertaking of the Transferor Companies shall, without any further act or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to or vested in the Transferee Company pursuant to the provisions of Section 394 and other applicable provisions of the Act.

(b) With effect from the appointed date, and subject to the provisions of this Scheme, the said liabilities shall also be and shall stand transferred or deemed to have been transferred without any further act, instrument or deed to the Transferee Company, pursuant to the provisions of Section 394 of the Act, so as to become as and from the Appointed date, the debts, liabilities, duties and obligation 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.

3. CONTRACTS, DEEDS AND OTHER INSTRUMENTS :

Subject to all the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which the Transferor Companies is a party or to the benefit of which the Transferor Companies may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be 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 Companies, 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

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confirmations or enter into a tripartite arrangement, confirmation or novation to which the Transferor Companies will, if necessary also be a party in order to give formal effect to this Clause if so required or become necessary.

4. LEGAL PROCEEDINGS :

All suits, claims, actions and proceedings by or against the Transferor Companies pending and/or arising on or before the date on which this Scheme shall finally take effect shall be continued and enforced by the Transferee Company as effectively as if the same has been pending or arising against the Transferee Company.

5. OPERATIVE DATE OF THE SCHEME :

This Scheme, though effective from the Appointed date shall be operative from the effective date.

6. CONDUCT OF BUSINESS BY TRANSFEROR COMPANIES TILL EFFECTIVE DATE:

With effect from the Appointed Date, and upto the Effective Date :

(i) The Transferor Companies shall carry on or deemed to have carried on all its business and activities and shall be deemed to have held or stood possessed of and shall hold and stand possessed of all the said Assets for and an account of and in trust for the Transferee Company.

(ii) All the profits or income accruing or arising to the Transferor Companies or expenditure or losses arising or incurred by the Transferor Companies shall for all purposes be treated and be deemed to be and accrued as the profits and income or expenditure or losses of the Transferee Company, as the case may be.

(iii) The Transferor Companies shall carry on its business activities with reasonable diligence, business prudence and shall not alienate, charge, mortgage, encumber or otherwise deal with the said assets or any part thereof except in the ordinary course of business or pursuant to any pre-existing obligation undertaken by the Transferor Companies prior to the Appointed Date except with prior written consent of the Transferee Company.

Provided that as far as the obligations referred as above are concerned, the restrictions thereunder shall be applicable from the date of the acceptance of the present Scheme by the respective Board of Directors of the Transferor and Transferee Company even if the same is prior to the Appointed date.



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(iv) The Transferor Companies shall not vary the terms and conditions and employment of its permanent employees if any, except in ordinary course of business.

(v) The Transferor Companies shall not, without prior written consent of the Transferee Company, undertake any new business.

(vi) The Transferor Companies shall not, without prior written consent of the Transferee Company, take any major policy decisions in respect of management of the Company and for the business of the Company and shall not change its present capital structure.

7. CANCELLATION OF SHARES HELD BY THE TRANSFEREE COMPANY IN THE TRANSFEROR COMPANIES:

All the Transferor Companies are wholly owned subsidiaries of the Transferee Company. In view of this the shares held by the Transferee Company in the Transferor Companies will be cancelled and extinguished and no shares of Transferee Company shall be issued in exchange of the shares held by the Transferee Company.

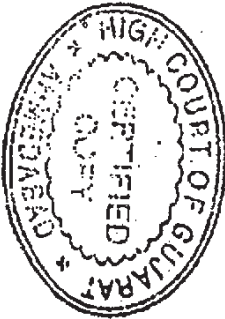
8. ACCOUNTING TREATMENT OF ASSETS, LIABILITIES AND RESERVES OF THE TRANSFEROR COMPANIES:

(i) As on the appointed Date, and subject to any corrections and adjustments as may, in the opinion of the Transferee Company be required, the reserves of the Transferor Companies will be merged with those of the Transferee Company as reduced by the balances of Preliminary Expenses & Pre-operative expenses of the Transferor Companies in the same form as appeared in the financial statement of the Transferor Companies.

(ii) The differences between the amount of the share capital of the Transferor Companies and the investment amounts shown as the investments in the share capital of the Transferor Companies by the Transferee Company will be considered as the acquisition of Goodwill by the Transferee Company and be debited in the books of the Transferee Company to Goodwill Account.

Further, an amount equal to the excess of liabilities, if any over the assets of the Transferor Companies being Goodwill of the Transferor Companies, if any which would be vested in the Transferee Company shall be treated as Goodwill and shall be carried forward accordingly in the books of the Transferee company.

Such Goodwill, created as above, carried in the Transferee Company shall be amortized over a period of 1 year to 3 years, out of its Profit and Loss Account and/or General Reserve at the discretion of the Transferee Company.



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The Amalgamation Reserve created, if any, out of transfer of assets and liabilities of the Transferor Companies to the books of Transferee Company shall be treated as Revenue Reserve for all practical purposes.

Further, the Amalgamation Reserve and/or Goodwill created under this clause shall be netted of.

(iii) Further, in case of any difference in accounting policy between the Transferor Companies and the Transferee Company, the impact of the same till the amalgamation will be quantified and adjusted in the Revenue Reserve(s) as mentioned earlier to ensure that the financial statement to the Transferee Company reflects the financial position on the basis of consistency in the accounting policy.

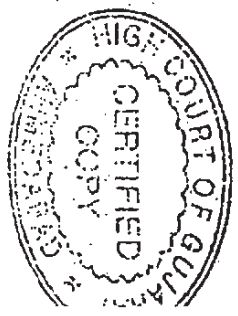
(iv) An amount equal to the balance lying to the credit of Profit and Loss Account in the books of the Transferor Companies shall be credited by the Transferee Company to its Profit and Loss Account and shall constitute the Transferee Company's free reserve as effectively as if the same was created by the Transferee Company out of its own earned and distributable profits.

9. AMENDMENTS IN MEMORANDUM & ARTICLES OF ASSOCIATION OF THE TRANSFEREE COMPANY

Upon the coming in to effect this Scheme :

Clause V of the Memorandum of Association and Article 4 of the Articles of Association of the Transferee Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Section 16, 31 and 94 and other applicable provisions of the Act, as the case may be, in the manner set out below and be replaced by the following clause :

"The Authorised Share Capital of the Company is 1,306,000,000/- (Rupees One Thousand Three Hundred and Six Millions Only) divided into 255,900,000 (Two Hundred Fifty Five Millions and Nine Hundred Thousands) Equity Shares of Rs. 5/- (Rupees Five Only) each 25,000,000 (Twenty Five Millions) Preference Share of Re. 1/- (Rupee One Only) each and 15,000 (Fifteen Five Thousands) Preference Shares of Rs.100 (Rupees One Hundred only) each, with power to increase or



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reduce such capital from time to time and power to divide the shares in the capital for time being into other classes and to attach thereto respectively such preferential, convertible, deferred, qualified or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the regulations of the Company or the provisions of the law for the time being in force."

10. DIVIDEND, PROFIT, BONUS, RIGHT SHARES :

At any time upto the Effective Date

- (a) The Transferor Companies shall not declare or pay dividends which are interim or final to the respective members relating to any period commencing on or after the Appointed Date unless agreed to by the Board of Directors of the Transferee Company.
- (b) The Transferor Companies shall not issue or allot any right shares, or Bonus Shares or any other security converting into Equity or other Share Capital or obtain any other financial assistance converting into Equity or other Share Capital, unless agreed to by the Transferee Company.

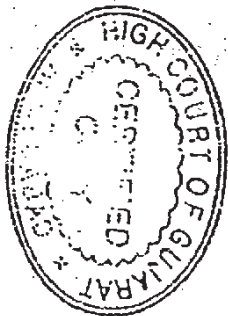
11. DISSOLUTION OF THE COMPANY:

The Transferor Companies shall be dissolved without winding up on an order made by the High Court of Ahmedabad under Section 394 of the Companies Act.

12. APPLICATION(S) TO THE HIGH COURT :

The Transferor Companies with all reasonable despatch, make applications/petitions under Sections 391 and 394 and other applicable provisions of the Act to the High Court of Gujarat at Ahmedabad for sanctioning of this Scheme and for dissolution of the Transferor Companies without winding up under the provisions of the Act.

The Transferee Company, if necessary and to the extent necessary, shall also with reasonable despatch make applications/petitions under Sections 391 and 394 and other applicable provisions of the Act to the High Court of Gujarat at Ahmedabad for sanctioning of the Scheme under the provisions of the Act.



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13. MODIFICATIONS, AMENDMENTS TO THE SCHEME :

The Transferor Companies (by its Directors) and Transferee Company (by its Directors) may assent from time to time on behalf of persons concerned to any modifications/amendments to this Scheme or any conditions or limitations which the respective High Court of Gujarat at Ahmedabad or any authorities under the Law may deem fit to approve or impose and to resolve any doubt or difficulties that may arise for carrying out this Scheme and to do and execute all such acts, deeds, matters and things necessary for putting the Scheme into effect.

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

14. SCHEME CONDITIONAL UPON APPROVALS/SANCTIONS :

This Scheme is specifically conditional upon and ~~subject to the sanctions of the High Court of Gujarat at Ahmedabad being obtained under Sections 391 and 394 and other applicable provisions of the Act, if so required on behalf of the Transferor Companies and Transferee Company.~~

15. EFFECTIVE DATE OF THE SCHEME :

This Scheme although to come into operation from 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 here in above referred to have been obtained or passed; and

(b) the date on which all necessary certified copies of the order under sections 391 and 394 of the Act are duly filed with the respective Registrar of Companies of Gujarat, Dadra & Nagar Haveli and such date shall be referred to as Effective Date for the purpose of the Scheme.

16. EFFECT OF NON-RECEIPT OF APPROVAL/SANCTION :

In the event of any of the said sanction and approval referred to in the preceding Clause No. 13 and 14 above not being obtained and/or the Scheme not being sanctioned by the High Court and/or the Order(s) not being passed as aforesaid before 30/11/2005 or within such further period(s) as may be agreed upon from time to time between the Transferor Companies (by its Directors) and the Transferee Company (by its Directors) and the Board of the Directors of both the Companies are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any



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limitations in exercise of their power through and by their respective delegates, this Scheme 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 and or otherwise arise as per Law.

17. EXPENSES CONNECTED WITH THE SCHEME :

All costs, charges and expenses of the Transferor Companies and the Transferee Company respectively in relation to or in connection with or incidental to this Scheme shall be respectively borne by the Transferor and Transferee Companies.

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... day of July 2005.

Witness Bhavani Sinh Esquire,
the Chief Justice at Ahmedabad
aforesaid this 14th day of July Two Thousand Five.

By the order of the Court

(Signature)
Registrar (Judicial)

This 16th day of August 2005

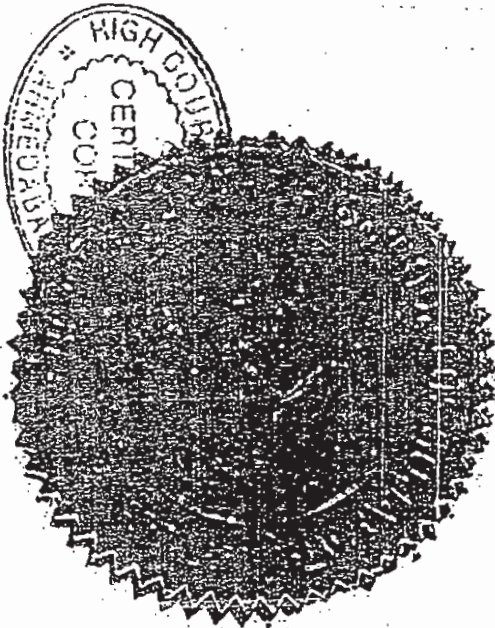
Order drawn by :

Swati Saurabh Soparkar

(Swati Saurabh Soparkar)

Advocate

204, Aakanksha, Opp. Vedilal House,
Nr. Mount Carmel Railway Crossing,
Navrangpura, Ahmedabad.



Sealer

(Signature)

This 16th day of August 2005

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REGISTRAR
THIS 16-8-DAY OF 2005

AMALGAMATION
OF
PHLOX PHARMACEUTICALS LIMITED
WITH
SUN PHARMACEUTICAL INDUSTRIES LTD

U/O No. 25117/05 (As.) 36

Company & Comp. charges

Total Rs. 11/-

CORRECTED BY

17/8/05

Section Officer
Deputy Registrar
25117/05

Cert applied on 26-7-05 IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
(ORIGINAL JURISDICTION)

Copy ready on 17-8-05

Copy Delivered on

Sent by

Regd. by Pasha

Assistant

13/8/05

COMPANY PETITION NO. 67 OF 2005
Connected with
COMPANY APPLICATION NO. 81 OF 2005

In the matter of Sec. 391 to 394 of the
Companies Act, 1956;
And

In the matter of
Sun Pharmaceuticals Limited.

A company registered under the Companies
Act, 1956 and having its Registered Office at
SPARC, Tandalja, Vadodara 390 020 in the
state of Gujarat.

And

In the matter of the Scheme of Amalgamation
of between Phlox Pharmaceuticals Limited
and Sun Pharmaceutical Industries Limited.

Sun Pharmaceuticals Limited.

A company registered under the Companies Act,
1956 and having its Registered Office at SPARC,
Tandalja, Vadodara 390 020 in the state of Gujarat

PETITIONER

BEFORE HONOURABLE Mr. JUSTICE K. A. Puj

Date : 28th July, 2005

Order On Petition

The above petition coming on for hearing on 28th July 2005,
upon reading the said petition, the order dated 4.3.2005 in the
Company Application No. 81 of 2005 whereby a meeting of the
Equity shareholders of the company was directed to be convened,
for the purpose of considering, and if thought fit, approving, with
or without modification the arrangement proposed to be made
between the said Company and its members in the nature of the
scheme of Amalgamation of Phlox Pharmaceuticals Limited with
Sun Pharmaceutical Industries Limited, the petitioner company,
and annexed to the affidavit of Shri Ashok I. Bhuta filed on 2nd
day of March 2005 and The Indian Express - the English daily
dated 11.3.2005 and Jansatta-Loksatta, the Gujarati daily dated
11.3.2005, (both Vadodara editions) each containing the
advertisement of the said notice convening the said meeting

- 2 -

directed to be held by the said order dated 4.3.2005, the affidavit of Shri Dilip S. Sanghavi filed on the 14.3.2005 showing the publication and dispatch of the notices convening the said meeting, and the report dt. 5.4.2005 of the Chairman of the said meeting as to the result of the said meeting, considering the additional affidavit of Mr. Ashok Bhuta dt. 18th July 2005, and upon hearing Smt. Swati Soparkar, Advocate for the petitioner Company, and upon hearing Shri J. M. Malkan, Asst. Solicitor General appearing for the Central Government,

This Court doth hereby sanction the arrangement in the nature of amalgamation set forth in para 8 of the petition herein and in the Schedule hereto and doth hereby declare the same to be binding on the shareholders of the abovenamed company and also on the abovenamed company.

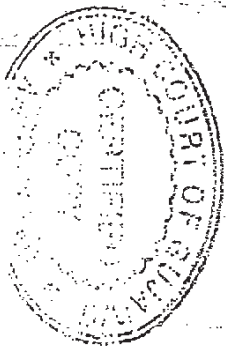
And this Court doth further order that parties to the arrangement or other persons interested shall be at liberty to apply to this Court for any direction that may be necessary in regard to the working of the arrangement or amalgamation, and

That the said company do file with the Registrar of the Companies a certified copy of this order within 30 days from the receipt of the same, and

This Court doth further order payment of Rs. 3,500/- in aggregate as the cost of this petition awardable to Shri J. M. Malkan, Asst. Solicitor General.

SCHEDULE

Scheme of Compromise or Arrangement as sanctioned by the
court.

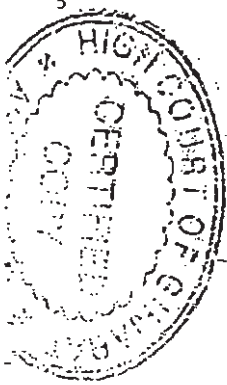


**SCHEME OF AMALGAMATION OF
PHLOX PHARMACEUTICALS LIMITED (PPL)
WITH SUN PHARMACEUTICAL INDUSTRIES LIMITED (SPIL)
UNDER SECTION 391 & 394 OF THE COMPANIES ACT, 1956**

1. DEFINITIONS

In the scheme, unless the contents otherwise require the following expressions shall have the following meaning :-

- i) "Act" means the Companies Act, 1956 including any statutory modifications, re-enactments or amendments thereof.
- ii) "Appointed Date" and/or "Transfer Date" means March 1, 2004.
- iii) "Scheme" means the Scheme of Arrangement and/or compromise between SPIL, PPL and their creditors and shareholders for amalgamation of PPL with SPIL.
- iv) "Sanction Date" means date of sanction of the scheme by High Court of Gujarat.
- v) "Effective Date" means the date on which certified true copy of the Order of the High Court for sanction of the Scheme is filed with the Registrar of Companies, Gujarat. This Scheme although effective from the appointed date, shall become operative from the Effective Date.
- vi) "SPIL" and / or "Transferee Company" means Sun Pharmaceutical Industries Limited, a company registered under the Companies Act, 1956 and having its registered office at SPAPC, Tandajja, Vadodara 400 020 in Gujarat.
- vii) "PPL" and / or "Transferor Company" means Phlox Pharmaceuticals Limited, a company registered under the Companies Act, 1956 and having its registered office at A/9, Shradhadeep Housing Complex, Opposite R. C. Patel Industrial Estate, Vadodara 400 020 in Gujarat.
- viii) "Record Date" means the date to be fixed by the Board of Directors or a Committee thereof of the Transferor Company for the purpose of determining the members of the Transferor Company to whom equity shares of the Transferee Company will be allotted pursuant to this Scheme



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2. TRANSFER AND VESTING

2.1 Upon the Scheme coming into effect from the Appointed Date (March 1, 2004), the Undertaking of the Transferor Company with all assets and liabilities shall, pursuant to section 391 and 394 of the Companies Act, 1956 and without any further act or deed, be transferred to and vested in the Transferee Company for all the estates, assets, rights and interests of the Transferor Company therein but subject nevertheless to all charges, if any, then affecting the same or any part thereof and as on the Transfer date, and the Transferor Company shall be deemed to have been amalgamated with the Transferee Company.

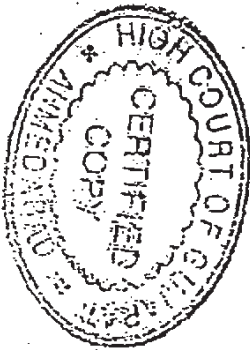
2.2. For the purpose of the scheme, the undertakings of the Transferor Company shall include:

(i) All properties and assets (leased or otherwise), moveable and immovable, real and personal, corporeal and incorporeal, in possession, present and contingent of whatsoever nature, wherever situated, as on the Appointed Date, and such additional assets pertaining to the Transferor Company acquired since the Appointed Date

(ii) All permits, quotas including import quotas, rights, industrial and other licenses, tenancies, offices and depots, trade marks, patents, copy rights, formulae, privileges and benefits of all contracts including the rights of agreements and all other rights including lease, leave and licenses, and/or other licenses, process and facilities of every kind, nature and description whatsoever of and pertaining to the Transferor Company.

(iii) All registrations and entitlements (including deposits) like electricity, water, gas connections, other fuel and power, leases of land properties, plant and machinery, vehicles etc and like sales tax and excise duty licenses, and also with export-import authority including advance licenses, duty entitlement pass books, duty refund against export obligations there under of and pertaining to the Transferor Company.

(iv) All necessary records, files, papers, engineering information, computer programs, manuals, data, catalogues, quotations, sales and advertising materials, customer credit information, customer pricing information, and other records, telephone / facsimile / telex and other communication facilities, equipments including computers, hardware, software and other electronic equipment and instruments, systems of any kind whatsoever of the Transferor Company.



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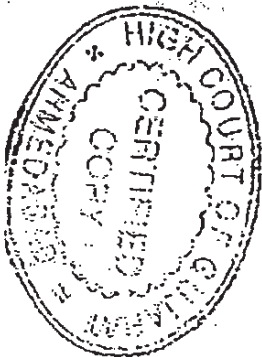
- (v) Rights and benefits of all agreements and other interest including rights and benefits under various schemes of different taxation laws as may belong to or be available to the Transferor Company, authorized share capital of the Transferor Company.
- (vi) All debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date as appearing in the books of the Transferor Company including liabilities on account of loans and advances from secured creditors, unsecured creditors, preference shareholders and contingent liabilities not provided in the books of the Transferor Company, and such additional liabilities pertaining to the Transferor Company incurred since the Appointed Date.
- (vii) All obligations of whatsoever kind including liabilities for payment of gratuity, pension benefits, provident fund or compensation in the event of retrenchment. Provided always that the scheme shall not operate to enlarge the security for any loan deposit or facility created by or available to the Transferor Company which shall vest in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be obliged to create any further or additional security thereof after the amalgamation has become effective or otherwise.

3. LEGAL PROCEEDINGS:

If any suit or appeal or other proceedings of whatsoever nature hereinafter called the proceedings) by or against the Transferor Company be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the undertaking of the Transferor Company to the Transferee Company or of anything contained in the scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as if this scheme has not been made.

CONTRACT, DEEDS, BONDS AND OTHER INSTRUMENTS:

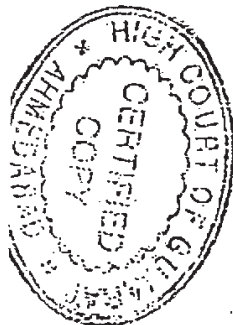
- (i) The transfer and vesting of the property and liabilities under Clauses 2 hereof and the continuance of the proceedings by the Transferor Company under Clause 3 hereof shall not affect any transactions or proceedings already concluded by the Transferor Company in the ordinary course of business on or after the transfer date to the end and intent that the Transferee Company accepts on behalf of itself all acts, deeds and thing done lawfully and executed by the Transferor Company.



- (ii) Subject to the other provisions contained in this scheme all lawful contracts, deeds, bonds, agreements and other instruments of whatever nature to which the Transferor Company is a party subsisting or having effect immediately before the amalgamation shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and as effectively as if instead of the Transferor Company, the Transferee Company had been a party thereto. However, the clauses relating to convertibility of defaulted amounts into equity, appointment of one or more Directors, Director / Manager, Key Officials, Technical Consultants, Chartered Accountants, declaration and / or payment of dividends, raising, borrowing and / or redeeming of loans, credits and investments creation of debentures and fresh capital, appointment of agents or distributors, management take over by the lender, right sale of assets by the Lender and such other restrictive covenants contained in the Agreements with or correspondence exchanged between the Transferor Company and its banks and / or financial institutions shall be relaxed, subject to no incidence of default by the Transferee Company to the secured lender(s).

5. **CONDUCT OF BUSINESS BY TRANSFEROR COMPANY TILL EFFECTIVE DATE:**

- (i) As from the transfer date, the Transferor Company shall be deemed to have carried on and to be carrying on its business on behalf of and on account of and in trust for the Transferee Company until such time as the amalgamation becomes effective in terms of this scheme.
- (ii) All the profits accruing to the Transferor Company or losses arising or incurred (including the effect of taxes, if any, thereon) by it shall, for all purposes, be treated as the profits or losses of the Transferee Company as the case may be.
- (iii) The Transferor Company hereby undertakes to carry on its business until the Effective Date with reasonable diligence and shall not, without the written consent of the Transferee Company, alienate, charge or encumber or otherwise deal with the assets or any part thereof except in the ordinary course of its business.
- (iv) The Transferor Company shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure without the written consent of the Transferee Company, except in the ordinary course of business.
- (v) The Transferor Company shall not, without the written consent of the Transferee Company, undertake any new business.



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- (vi) Save as specifically provided in this Scheme, neither the Transferor Company nor the Transferee Company shall make any change in their capital structure by way of increase (whether by a rights issue, issue of bonus shares), decrease, reduction, reclassification, sub-division or consolidation, reorganisation or in any manner which may in any manner affect the Share Exchange Ratio prescribed in Clause 7 except by mutual consent of both the companies.
- (vii) The Transferor Company shall not vary the terms and conditions of the service of its staff, workmen and employees except in the ordinary course of business.

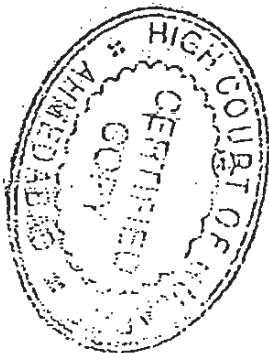
6. **TRANSFEROR COMPANY'S STAFF, WORKMEN AND EMPLOYEES:**

All permanent employees of the Transferor Company who are in the employment of the Transferor Company on the Effective Date in terms of this Scheme shall, as from such date, become the employees of the Transferee Company, on the basis that their services do not stand interrupted by vesting of the undertaking of the Transferor Company in the Transferee Company under this Scheme and the terms and conditions of service applicable to such employees on the Effective Date is in no any way less favorable to them than those applicable to them immediately before the transfer date. The Transferee Company, however, shall also have the right to exercise an option if warranted to transfer such number of employees to any other unit of Transferee Company as may be deemed necessary.

7. **ISSUE OF SHARES BY THE TRANSFEREE COMPANY**

Upon the transfer of the undertakings of the Transferor Company, pursuant to Clause 2 hereof and the amalgamation becoming effective in terms of this Scheme, the consideration in respect of such transfer shall be subject to the provisions of this Scheme as follows:

The Transferee Company shall issue at par and allot to every shareholder holding equity shares of Transferor Company on a date to be fixed by the Board of Directors of the Transferor Company (hereinafter referred to as "Record Date"), one equity share of Rs.5/- (Rupees Five) each credited as fully paid-up for every 790 equity shares of Rs.10 each fully paid up or for every 7900 equity shares of Rs.10 each partly paid-up at Re.1 per share paid up held by such shareholder in the Transferor Company. The share exchange ratio will be suitably modified in case the Transferee Company issues any shares by way of bonus shares or splits the equity shares between the date of the approval of the Scheme by the Shareholders of both the companies and the date of allotment of the Transferee Company's equity shares to the equity shareholders of the Transferor company.



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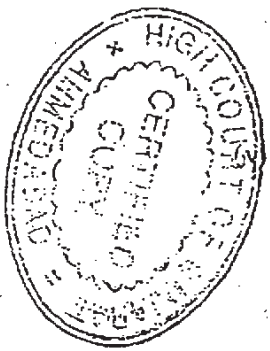
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(ii) As a result of the allotment in the manner specified herein above, if any Equity Shareholder of the Transferor Company becomes entitled to any fractional coupon/s of equity shares of the Transferee Company no such fractional coupon/s shall be issued in respect of or representing such equity shares of the transfer company but such fractions coupon/s shall be consolidated into whole equity shares and the Board of Directors of the Transferee Company may allot any one or more of such consolidated shares to any nominee(s) as the Board of Directors may in their absolute discretion deem fit for the purpose of holding and selling of such consolidated equity shares. Every such sale of the consolidated equity shares shall be at such price or price as may be the purchase price in respect of such sale (provided the Board of Directors approve the purchaser) the Board of directors shall allot the equity shares to the approved purchaser/s. The total net sale proceeds of such consolidated Equity shares after defraying there from all costs, charges and expenses of sale or sales and distribution shall be distributed and divided among such equity shareholders of the Transferor Company as would otherwise have been entitled to such fraction of the equity shares of the Transferee Company in proportion to their respective interest in such fractions. However, holders of less than 1 equity share in the Transferor company shall not be entitled to any shares in the Transferee company, but shall only receive the net sale proceeds in respect of their fractional entitlement as above.

(iii) Equity shares so allotted by the Transferee Company to the member(s) of the Transferor Company will in all respects rank pari-passu with the existing equity shares of the Transferee Company for dividend and voting rights.

(iv) On amalgamation, the shares held by the Transferee Company, if any in the Transferor Company would be cancelled and extinguished, and no shares of Transferee Company shall be issued in exchange of the shares in the Transferor Company held by the Transferee Company.

All members of the Transferor Company whose names appear in the register of members of the Transferor Company on the Record Date shall surrender to the Transferee Company for cancellation their share certificates in respect of the equity shares held in the Transferor Company and the Transferee Company shall issue to them certificates for equity shares in the Transferee Company to which they may be entitled in terms of this Scheme and every such shareholder of the Transferor Company shall take all steps to obtain from the Transferee Company to which he is entitled to hereunder. Upon the new equity shares being issued and allotted by the Transferee Company to the members standing on the Register of Members of the Transferor Company on the aforesaid Record Date, share certificates in respect of the shares held by them in the Transferor Company shall be deemed to stand cancelled.

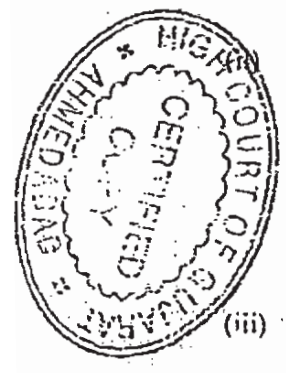


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- (vi) For the purpose as aforesaid the Transferee Company shall, if and to the extent required, increase its Authorised Capital after the Scheme has been sanctioned by the High Court but before the issue and allotment of shares. It shall also, if and to the extent required, apply for and obtain the requisite approvals including that of SEBI, Reserve Bank of India and other appropriate authorities concerned for issue and allotment by the Transferee Company to the respective members of the Transferor company of the Equity Shares in the said re-organised share capital of the Transferee Company in the ratio as aforesaid.
- (vii) The Transferee Company will endeavor that the Equity Shares of the Transferee Company issued in terms of the Clause 7 (i) above be listed and/or admitted to trading on the relevant Stock exchange/s, whether in India or abroad, where the equity shares of the Transferee Company are listed and/or admitted to trading. The Transferee Company shall enter in such arrangement and issue such confirmation and/or undertakings as may be necessary in accordance with the applicable laws or regulations, for the above purpose. But on such formalities being fulfilled all such stock exchange shall list and/or admit the said new shares also for the purpose of trading. All the statutory and Government authorities shall give necessary approvals and permissions forthwith in this regard.

8. ACCOUNTING TREATMENT OF ASSETS, LIABILITIES AND RESERVES OF THE TRANSFEROR COMPANY

- (i) As on the appointed date, and subject to any corrections and adjustments as may, in the opinion of the Board of Directors of the Transferee Company be required, the reserves of the Transferor Company will be merged with those of the Transferee Company in the same form as they appear in the financial statements of the Transferor Company.



Further, in case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the amalgamation will be quantified and adjusted in the Profit and Loss account and/or Revenue Reserve(s) as mentioned earlier, at the discretion of the Transferee Company to ensure that the financial statement of the Transferee Company reflects the financial position on the basis of consistency in the accounting policy.

- (iii) An amount equal to the balance lying to the debit of Profit and Loss as on the appointed date in the books of Transferor Company shall be adjusted by the Transferee Company; at the discretion of the Transferee Company, against the credit of the Profit and Loss Account and/or Reserve & Surplus Account as on the Appointed Date in the books of Transferor Company

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- (iv) In-case of any differences between the amount recorded as liability including in respect of Preference Shares, if any, held by Transferee Company in the books of the Transferor Company and corresponding amount of assets/receivables including investment in Preference Shares, if any of the Transferor Company in the books of the Transferee Company, the same difference shall be transferred to or adjusted to General Reserves or Goodwill as the case may be in the books of the Transferee Company.

The differences between the amount recorded as fresh equity share capital issued by the Transferee Company on amalgamation and the amount of the equity share capital of the Transferor Company will be reflected in the General Reserve of the Transferee Company.

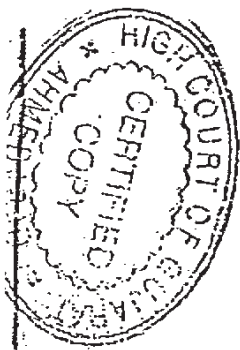
- (v) The Amalgamation Reserve created, if any, out of transfer of assets and liabilities to the books of Transferee Company shall be treated as Revenue Reserve for all practical purposes.
- (vi) An amount equal to the excess of liabilities over the assets being Goodwill of the Transferor Company, if any, which would be vested in the Transferee Company shall be treated as Goodwill and shall be carried forward accordingly in the books of the Transferee company. Such goodwill carried in the Transferee Company shall be amortized over a period of 1 year to 3 years, out of its Profit and Loss Account and/or General reserve at the discretion of the Transferee Company.

9. GENERAL CONDITIONS

- (i) Approval to the issue and allotment of the equity shares in the Transferee Company to equity shareholders of the Transferor Company, shall be deemed to be approved pursuant to Section 81(IA) of the Companies Act, 1956 on approval of this Scheme by a Resolution of equity shareholders of the Transferee Company.
- (ii) The issue and allotment of shares under the provisions of this Scheme to the non-resident shareholders will be made subject to the approval of the Reserve Bank of India if required, under the Foreign Exchange Management Act, 1999 and on such terms and conditions as the Reserve Bank of India may impose.

10. DISSOLUTION OF TRANSFEROR COMPANY:

Upon this Scheme being sanctioned as aforesaid the Transferor Company shall stand dissolved without winding up on such Effective Date.



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11. AMENDMENTS IN MEMORANDUM & ARTICLES OF ASSOCIATION OF THE TRANSFEREE COMPANY

Upon the coming in to effect this Scheme :

Clause V of the Memorandum of Association and Article 4 of the Articles of Association of the Transferee Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Section 16, 31 and 94 and other applicable provisions of the Act, as the case may be, in the manner set out below and be replaced by the following clause :

"The Authorised Share Capital of the Company is 1,766,000,000/- (Rupees One Thousand Seven Hundred and Sixty Six Millions -Only) divided into 307,000,000 (Three Hundred and Seven Millions and Nine Hundred Thousands) Equity Shares of Rs. 5/- (Rupees Five Only) each, 25,000,000 (Twenty Five Millions) Preference Share of Re. 1/- (Rupee One Only) each and 2,015,000 (Two Millions and Fifteen Thousand) Preference Shares of Rs.100 (Rupees One Hundred only) each, with power to increase or reduce such capital from time to time and power to divide the shares in the capital for time being into other classes and to attach thereto respectively such preferential, convertible, deferred, qualified or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the regulations of the Company or the provisions of the law for the time being in force."

12. EXPENSES CONNECTED WITH THE SCHEME AND INCIDENTAL TO THE COMPLETION OF THE AMALGAMATION

All costs, charges and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with the negotiation leading to or in connection with the negotiation leading up to this Scheme of carrying out and completing the terms and provisions of this Scheme and/or incidental to the completion of the amalgamation of the Transferor Company in pursuance of this Scheme shall be borne and paid by the Transferee Company.

13. MODIFICATION / AMENDMENT TO THE SCHEME

For the purpose of giving effect to this Scheme the Board of Directors of the Transferee Company are authorized to give such directions as may be necessary or desirable and to settle, as they may deem fit, any questions, doubts or difficulty that may arise in connection with or in the working of the Scheme including with regard to issue and allotment of shares under Clause 7 hereof of the members of the Transferor Company and deeds and things



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necessary for carrying into effect this scheme.

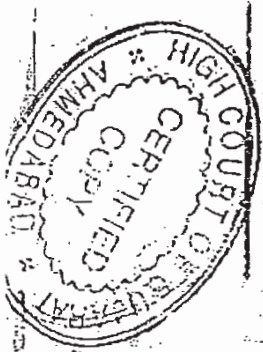
14. APPLICATIONS TO HIGH COURT

The Transferor Company and the Transferee Company shall with all reasonable dispatch make applications under Sections 391 and 394 and other applicable provisions of the Act to the High Court of Gujarat/ National Company Law Tribunal for sanctioning this Scheme and for dissolution of the Transferor Company without winding up. Further, a copy of the order of the High Court pursuant to section 391 and 394 of the Companies Act, 1956, sanctioning the Scheme of Amalgamation shall be filed with the Registrar of Companies, Gujarat within one month from the date of the order sanctioning the Scheme is received by the Transferee Company

15. SCHEME CONDITIONAL ON APPROVAL / SANCTIONS

The Scheme is conditional on and subject to:

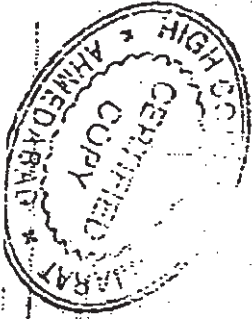
- (a) the sanction of the High Court of Gujarat at Ahmedabad National Company Law Tribunal, under Sections 391 and 394 of the Act, in favour of the Transferor Company and the Transferee Company and to the necessary Orders under Section 394 of the Act, being obtained.
- (b) filing of the order obtained from the High Court of Gujarat at Ahmedabad/ National Company Law Tribunal, under Sections 391 and 394 of the Companies Act, 1956 with the Registrar of Companies, Gujarat State.
- (c) any other sanction or approval of any concerned authorities, as may be considered necessary and appropriate by the respective Board of Directors of the Transferor Company and the Transferee Company, being obtained and granted in respect of any of the matters for which such sanction or approval is required.



Dated this 28th July 2005.

Dated this 28th day of July 2005.

Witness Bhavani Singh Esquire,
the Chief Justice at Ahmedabad
aforesaid this 28th day of July Two Thousand Five.



By the order of the Court

Registrar (Judicial)

this 16th day of August 2005

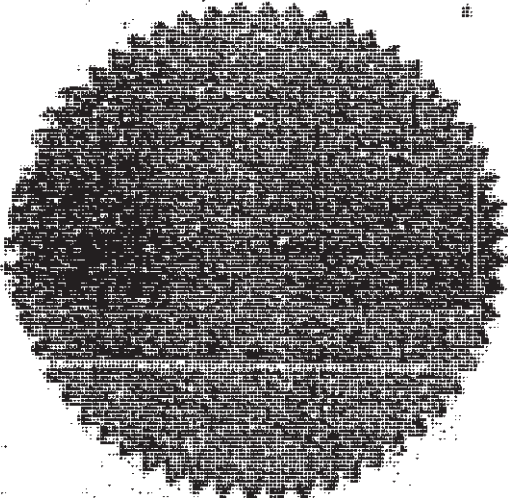
02/12/05

Order drawn by :

Swati Sarparkar
(Swati Saurabh Soparkar)

Advocate

204, Aakanksha, Opp. Vadilal House,
Nr. Mount Carmel Railway Crossing,
Nayrangpura, Ahmedabad.



Sealer

02/12/05

This 16th day of August 2005

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ASSISTANT REGISTRAR

**DEMERGER OF THE
INNOVATIVE RESEARCH &
DEVELOPMENT UNIT/DIVISION OF
SUN PHARMACEUTICAL INDUSTRIES LTD
TO
SUN PHARMA ADVANCED RESEARCH COMPANY LTD**

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IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

(Seyed G. K.)

(ORIGINAL JURISDICTION)

COMPANY APPLICATION NO. 75 OF 2007

1488/28/01/07

IN

Section Officers
O.J. Department

COMPANY PETITION NO. 87 OF 2006

DL 28-3-2007

CONNECTED WITH

COMPANY APPLICATION NO. 188 OF 2006

Copy applied on 2-3-07
Copy ready on 28-3-07
Copy Believed on
Sent by
Regd. by Posts

In the matter of Sections 78, 80, 100, 391 and
394 and 392(1) of the Companies Act, 1956;
And

In the matter of

Sun Pharmaceutical Industries Limited.

A company incorporated under the Companies
Act, 1956 having its registered office at SPARC,
Tandalija, Vadodara 390 020 in the state of
Gujarat.

And

In the matter of Scheme of Arrangement between
Sun Pharmaceutical Industries Limited and Sun
Pharma Advanced Research Company Limited in
the nature of de-merger and transfer of
Innovative Research and Development Business.

Sun Pharmaceutical Industries Limited.

A company incorporated under the Companies
Act, 1956 having its registered office at SPARC,
Tandalija, Vadodara 390 020 in the state of Gujarat..... Petitioner



BEFORE HONOURABLE Mr. JUSTICE A. S. DAVE

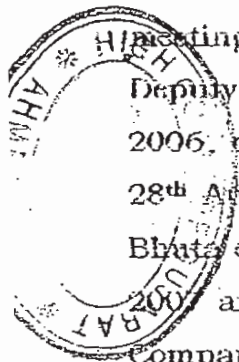
Date: 1st September 2006 and
1st March 2007

Order On Petition

The above petition coming on for hearing on 1st September 2006,
upon reading the said petition, the order dated 24th April 2006 passed in
the Company Application No. 188 of 2006 whereby separate meetings of
the Equity Shareholders, Preference Shareholders, Secured Creditors,
Unsecured Creditors and FCCB Holders of the Company were directed to

be convened and held for the purpose of considering, and if thought fit, approving, with or without modification the arrangement proposed to be made between the said Company and its members and creditors by the Scheme of Arrangement in the nature of De-merger and Transfer of innovative Research and Development Business of the petitioner de-merged company viz. Sun Pharmaceutical Industries Limited to Sun Pharma Advanced Research Company Limited and consequential Reduction of Capital in the nature of Utilization of Securities Premium Account and/or Capital Redemption Reserve Account of Sun Pharmaceutical Industries Limited, and annexed to the affidavit of Shri Ashok I. Bhuta filed on 13th day of April 2006 and The Indian Express - the English daily and Jansatta-Loksatta, the Gujarati daily both dated 13th May 2006, (both Vadodara editions) each containing the advertisement of the said notice convening the said meetings directed to be held by the said order dated 24th April 2006, the affidavit of Shri Dilip S. Shanghvi dated 19th May 2006 showing the publication and dispatch of the notices convening the said meetings, the reports of the Chairman of the said meetings dated 13th June 2006 as to the result of the said meetings, considering the affidavit dt. 25th August 2006 filed by the Deputy Registrar of Companies alongwith the letter dated 17th August 2006, considering the additional affidavit of Shri Ashok I. Bhuta dated 28th August 2006 and further considering the affidavit of Shri Ashok I. Bhuta dt. 16th February 2007 filed with Company Application No. 75 of 2007 and upon hearing Smt. Swati Soparkar, Advocate for the Petitioner Company, upon hearing Shri P. J. Malkani and Shri Harin P. Raval, advocates appearing for the Central Government,

This Court doth hereby sanction the arrangement set forth in para 8 of the petition herein and as modified with respect to the Appointed Date, in the Schedule hereto, and doth hereby declare the same to be binding on the Equity Shareholders, Preference Shareholders, Secured Creditors, Unsecured Creditors and FCCB Holders of the above named Company and also on the above named Company.



That the Reduction and Reorganisation of Capital, in terms of Scheme of Arrangement being integral part of the Scheme and consequential in nature, the separate compliance of Sec. 100 to 104 is not required. The Order of the Court Sanctioning the Scheme shall be deemed to be an Order under section 100 of the Act concerning the aforesaid reduction.

This court doth hereby further sanction the reduction and reorganization of capital in terms of Clause 13.1(b) of the scheme and para 22 of the petition and doth hereby specifically confirm that the Securities Premium Account and/or Capital Redemption Reserve Account shall be utilized as envisaged in the scheme.

And this Court doth further order that parties to the arrangement or other persons interested shall be at liberty to apply to this Court for any direction that may be necessary in regard to the working of the arrangement, and

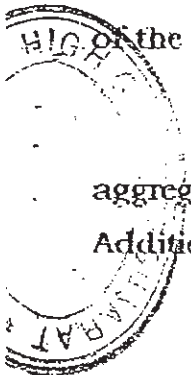
That the said Company do file with the Registrar of the Companies a certified copy of this order within 30 days from the receipt of the same, and

This Court doth further order payment of Rs. 3,500/- in aggregate as the cost of this petition awardable to Shri. P. J. Maikan, Additional Standing Counsel for the Central Govt.

SCHEDULE

Scheme of Arrangement as sanctioned and as modified by the court.

Dated this 1st day of March 2007.



- 4 - corrected by @

COPY OF MODIFIED SCHEME

BETWEEN

Sun Pharmaceutical Industries Limited (SPIL)

AND

Sun Pharma Advanced Research Company Limited (SPARC)

AND

their respective shareholders and creditors

UNDER SECTION 391 & 394 OF THE COMPANIES ACT, 1956

PREAMBLE

A. Description of Companies:

(a) The Demerged Company (Transferor Company), viz. Sun Pharmaceutical Industries Limited ("SPIL") is engaged in the business of manufacturing, marketing and trading of pharmaceutical products. The speciality areas of this Company are therapeutic segments like cardiology, psychiatry, neurology, gastroenterology, orthopedics, oncology, gynecology, anesthesiology, ophthalmology, fertility management and pain management. The Transferor Company is a fast growing pharmaceutical company in the country. It ranks among the first six of the pharmaceutical companies of the country. The Company also has a high growth potential. The manufacturing facilities are at present situated at Vapi, Silvassa, Panoli, Ahmednagar, Ankleshwar, Dadra, Halol and Chennai. The Company also has, through its subsidiary companies, manufacturing facilities situated at Detroit, New Jersey and Ohio in U.S.A, Hungary and Bangladesh. The Company is also spending/investing heavily in Pharmaceutical Research & Development activities. The Company has its research centers with modern & state of the art machineries and laboratory equipments at SPARC, Tandalja and at Andheri (East), Mumbai. This comprises of labs that work on process chemistry, product development, analytical etc.; which in turn produce reverse engineering based bulk actives and formulations as well as a few projects in New Chemical Entities (NCE) or New Drug Delivery Systems (NDDS). The Company has a very wide marketing network all throughout the country. It is also an exporter of formulations and bulk drugs to various Asian,



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African, European, American and CIS (former USSR) countries. It is a listed public limited company at major stock exchanges in the country at National Stock Exchange & the Bombay Stock Exchange and the Foreign Currency Convertible Bonds (FCCB) amounting to US \$350 Millions issued by the Company during November/December, 2004 are listed at the Singapore Exchange Securities Trading Limited. The turnover/income of the Company from operations is Rs.1215.13 crores for the year 2004-2005 including export turnover of about Rs.287.41 Crores. It is a profit making and dividend paying Company.

- (b) The Resulting Company/The Transferee Company viz. Sun Pharma Advanced Research Company Limited (SPARC) has been incorporated as the wholly owned subsidiary of the Transferor Company on 1st March, 2006.

B. Rationale for the Scheme of Arrangement:

- (a) The Company has been making substantial investments in Research & Development activities including Innovative Research & Development activities and New Drug Delivery systems over the years. Innovative Research & Development activities (including New Drug Delivery systems) are herein after referred to as "Innovative R & D". The investments in Innovative R & D will have high risk & high return compared to manufacturing & marketing of pharmaceutical products business and research & development based on reverse engineering science. The time frame approaches and resource requirements for process and product development are relatively certain/known and the outcome is relatively certain. On the other hand, innovative research, both for NCE and NDDES can have varying time frames and risk. Resource requirements also can be difficult to predict. However, given the right resource base and focus, the Innovative R& D offer strong potential.



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- 6 -

(b) The Innovative R & D business has tremendous growth and long term profitability potential and is at a stage where they require focused management attention. Hence, simultaneously, with the re-organisation and segregation of business, SPIL intends to re-organise both the businesses and undertakings to provide focused management attention required by the businesses, which are to be segregated.

(c) It is believed that the proposed segregation will create/unlock value for shareholders and allow a focused strategy in operations, which would be in the best interest of SPIL, its shareholders and all persons connected with SPIL. The demerger proposed by this Scheme of Arrangement will enable the investors to choose whether to hold investments in businesses with different investment characteristics. This may enable them to select investments which best suit their investment strategies and risk profiles.



(d) The nature of risk and return involved in both these businesses is distinct from each other and consequently each business or undertaking/unit is capable of attracting a different set of investors, strategic partners, lenders and other stakeholders. In order to enable distinct set of investors to invest in these separate businesses and to lend greater focus to the operation of each of these diverse businesses, SPIL proposes to re-organize and segregate, by way of a demerger, its business and undertaking/unit engaged in Innovative R & D from remaining business.

(e) The demerger will also provide scope for independent collaboration and expansion without committing the existing organization in its entirety.

(f) The Board of Directors of the Demerged Company are of the opinion that the demerger would benefit the shareholders, employees and other stakeholders of the Demerged Company.

With the aforesaid objectives, it is proposed to demerge SPIL's Unit comprising of SPIL's interests in Innovative R & D business.

C. Purpose of the Scheme:

(a) It is therefore proposed that SPIL's Unit comprising of SPIL's interests in Innovative R & D business be segregated and demerged, pursuant to a Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 and transferred to a separate company for achieving independent focus in these areas. SPIL will continue its interests in the businesses of manufacturing & marketing of pharmaceutical products and research & development based on reverse engineering science.

(b) With the aforesaid objective and to give effect to the terms of this Scheme of Arrangement, SPARC has been incorporated as the wholly owned subsidiary of the Transferor Company with the main objects relating to the Research & Development.

(c) In furtherance of the aforesaid, this Scheme of Arrangement provides for:

(i) the demerger of Innovative Research & Development and Drug Delivery System Unit (as Innovative Research & Development Undertaking defined hereinafter) from SPIL to SPARC, Resulting Company; (ii) various other matters consequential or otherwise integrally connected herewith, including the reorganization of the capital of SPIL and SPARC;

(d) The demerger of Innovative R & D Unit of SPIL under this Scheme of Arrangement will be effected under the provisions of Sections 391 to 394 of the Companies Act, 1956. The demerger complies with the provisions of Section 2(19AA) of the Income Tax Act, 1961, such that:

(i) All the properties of the Demerged Unit (as defined hereinafter) being transferred by SPIL immediately before the demerger become the properties of the Resulting Company by virtue of the demerger; (ii) All the liabilities relating to the Demerged Unit being transferred by SPIL, immediately before the demerger become the liabilities of the Resulting Company by virtue of the demerger; (iii) The properties and the liabilities, if any, relating to the Demerged Unit being transferred by SPIL are transferred to the Resulting Companies at the values appearing in the books



of account of SPIL immediately before the demerger; (iv) the Resulting Company issues shares to the shareholders of SPIL in consideration of the demerger on a proportionate basis; (v) The shareholders of SPIL shall become the shareholders of the Resulting Company by virtue of the demerger; and (vi) The transfer of the Demerged Unit will be on a going concern basis.

D. Parts of the Scheme:

This Scheme of Arrangement is divided into the following parts:

- (i) PART I which deals with the definitions and share capital of the Demerged Company and the Resulting Company;
- (ii) PART II which deals with the demerger of the Demerged Unit (as defined hereinafter) to the Resulting Company;
- (iii) PART III which deals with the Remaining Undertaking (as defined hereinafter) of the Demerged Company;
- (iv) PART IV which deals with the re-organisation of capital of the Demerged Company and of the Resulting Company;
- (v) PART V which deals with accounting treatment for the demerger in the books of the Demerged Company and the Resulting Company;
- (vi) PART VI which deals with general terms and conditions applicable to this Scheme of Arrangement.

PART I

DEFINITIONS AND SHARE CAPITAL

1. Definitions

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:

- 1.1. "Act" means the Companies Act, 1956 and includes any statutory re-enactment or modification thereof, or amendment thereto, from time to time;
- 1.2. "Appointed Date" means 28th February, 2007 or such other date as may be approved by the High Court;
- 1.3. "Court" or "High Court" means the High Court of Judicature at Ahmedabad, and shall include the National Company Law Tribunal, if applicable;

1.4. "Demerged Company" or "Transferor Company" or "SPIL" means Sun Pharmaceutical Industries Limited, a company registered under the Companies Act, 1956 and having its registered office at SPARC, Tandalja, Vadodara 390 020 in Gujarat;

1.5. "Demerged Unit" means the Demerged Company's Unit, business, activities and operations pertaining to Innovative R & D comprising all the assets (moveable and immovable) and liabilities, which relate thereto or are necessary therefor and including specifically the following:

(i) All investments of the Demerged Company and other assets through which the Demerged Company carries on its business, activities and operations pertaining to the Innovative R & D and the approximate position of net assets as on 31st December, 2005 is described in Part 'A' of Schedule I hereto which will be replaced by the final position of 28th February, 2007;

(ii) All the debts (whether secured or unsecured), liabilities (including contingent liabilities), duties and obligations of the Demerged Company of every kind, nature and description whatsoever and howsoever accruing or arising out of, and all loans and borrowings raised or incurred and utilized for its businesses, activities and operations pertaining to Innovative R & D;

(iii) All agreements, rights, contracts, entitlements, permits, licences, approvals, consents, engagements, arrangements and all other privileges and benefits of every kind, nature and description whatsoever relating to the Demerged Company's business, activities and operations pertaining to Innovative R & D.

(iv) All intellectual property rights, records, files, papers, data and documents relating to the Demerged Company's business, activities and operations pertaining to innovative research & development including Department of Scientific & Industrial Research approvals; and

(v) All employees engaged in or relating to the Demerged Company's business, activities and operations pertaining to Innovative R & D

1.6. "Effective Date" means the last of the dates on which the conditions and matters referred to in Clause 19.1 of this Scheme occur or have been fulfilled or waived and the Order of the High Court sanctioning the Scheme of Arrangement is filed with the Registrar of Companies by the Demerged Company and the Resulting Company. References in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" shall mean the Effective Date.

1.7 "Innovative R & D" means Innovative Research & Development activities and New Drug Delivery Systems.

1.8. "Innovative Research & Development Unit" means the Demerged Company's Unit, business, activities and operations pertaining to innovative Research & Development comprising all the assets (moveable and immoveable) and liabilities which relate thereto or are necessary therefor and including specifically:

(i) All assets of the Demerged Company pertaining to Innovative Research & Development and New Drug Delivery System with approximate net position as on 31st December, 2005 is described in Part 'A' of Schedule I hereto which will be replaced by the final position of 28th February, 2007 ;

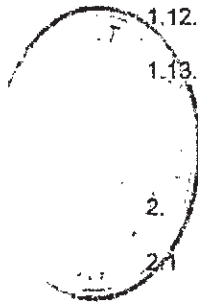


(ii) All the debts (whether secured or unsecured), liabilities (including contingent liabilities), duties and obligations of the Demerged Company of every kind, nature and description whatsoever and howsoever accruing or arising out of, and all loans and borrowings raised or incurred and utilized for its businesses, activities and operations pertaining to Innovative Research & Development;

(iii) All agreements, rights, contracts, entitlements, permits, licences, approvals, consents, engagements, arrangements and all other privileges and benefits of every kind, nature and description whatsoever relating to the Demerged Company's business, activities and operations pertaining to Innovative Research & Development;

(iv) All intellectual property rights, records, files, papers, data and documents relating to the Demerged Company's business, activities and operations pertaining to Innovative Research & Development including Department of Scientific & Industrial Research approvals; and

- (v) All employees engaged in or relating to the Demerged Company's business, activities and operations pertaining to Innovative Research & Development.
- 1.9 "Record Date" means the date to be fixed by the Board of Directors of the Demerged Company in consultation with the Resulting Company for the purpose of reckoning names of the equity shareholders of the Demerged Company, who shall be entitled to receive shares of the Resulting Company upon coming into effect of this Scheme as specified in Clause 10.1 of this Scheme;
- 1.10. "Remaining Undertaking" means all the undertakings, businesses, activities and operations of the Demerged Company other than those comprised in the Demerged Unit;
- 1.11. "Resulting Company" or "Transferee Company" or "SPARC" means Sun Pharma Advanced Research Company Limited a company registered under the Companies Act, 1956 and having its registered office at SPARC, Tandalja, Vadodara 390 020 in Gujarat.
- 1.12. "Schedules" shall mean the schedules to this Scheme.
- 1.13. "Scheme" or "Scheme of Arrangement" means this composite Scheme of Arrangement including any modification or amendment hereto.



2. Share Capital
 2.1 Demerged Company

The share capital structure of the Demerged Company as on March 31, 2006 is as under:

Authorised Capital	Rupees(In Millions)
307,900,000 Equity Shares of Rs.5 each	1539.5
25,000,000 Preference Shares of Re.1 each	25.0
2,015,000 Preference Shares of Rs.100 each	<u>201.5</u>
Total	1766.0 =====
Issued, Subscribed and Paid-up	
185,731,637 Equity Shares of Rs.5 each	928.7
13,983,534 Preference Shares of Re.1 each	<u>14.0</u>
Total	942.7 =====

The equity shares of the Demerged Company are listed on Bombay Stock Exchange Limited, The National Stock Exchange of India Limited. The Company is awaiting the formal letter of approval for delisting from The Calcutta Stock Exchange Association Limited. The FCCBs (Foreign Currency Convertible Bonds) of the Demerged Company are listed on the Singapore Exchange Securities Trading Limited.

2.2 Resulting Company:

(a) The share capital structure of Sun Pharma Advanced Research Company Limited, Resulting Company as on March 31, 2006 is as under:

Authorised Capital	Rupees(In Millions)
500,000 Equity Shares of Re.1 each	0.5
Issued, Subscribed and Paid-up	
500,000 Equity Shares of Re.1 each	0.5

The equity shares of Sun Pharma Advanced Research Company Limited, Resulting Company are, at present, not listed on any Stock Exchange.

The Resulting Company is presently a wholly owned subsidiary of SPIL. After issue of shares by Resulting Company in terms of Clause 10.1 and 13.2.(d) of this Scheme, the Resulting Company would cease to be subsidiary of SPIL.



Date when the Scheme comes into Operation: Though this Scheme shall become effective from the Effective Date, the provisions of this Scheme shall be applicable and come into operation from the Appointed Date.

PART II :

DEMERGED UNIT

4. Transfer of Demerged Unit

4.1 Transfer of assets:

(a) Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Demerged Unit (including all the estate, assets, rights, claims, title,

interest and authorities including accretions and appurtenances of the Demerged Unit) shall, pursuant to the provisions of Sections 391 to 394 of the Act, without any further act, deed, matter or thing be and stand transferred to and vested in and shall be deemed to be transferred to and vested in the Resulting Company on a going concern basis, in the following manner:

(i) the Demerged Unit (including all the rights, claims, title, interest and authorities including accretions and appurtenances thereto such as dividends, or other benefits received including in particular any securities acquired or received by the Demerged Company shall, without any further act, deed, matter or thing be demerged from the Demerged Company and be and stand transferred to and vested in or shall be deemed to be transferred to and vested in the Resulting Company on a going concern basis such that all the properties, assets, rights, claims, title, interest, authorities and liabilities comprised in the innovative research and development Unit immediately before the demerger shall become the properties, assets, rights, claims, title, interest, authorities and liabilities of the Resulting Company by virtue of and in the manner provided in this Scheme.

(ii) All assets or investments, right, title or interest acquired by the Demerged Company after the Appointed Date but prior to the Effective Date in relation to the Demerged Unit shall also, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Resulting Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 391 to 394 of the Act.



(b) Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Demerged Unit to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour of, as the case may be, the Resulting Company in which the Demerged Unit vests by way of the demerger hereunder and may be enforced as fully and effectually as if, instead of the Demerged Company,

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Resulting Company had been a party or beneficiary or obligee thereto or thereunder.

(c) Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Demerged Unit occurs by virtue of this Scheme itself, the Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme, the Resulting Company shall, under the provisions of Part II of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company to be carried out or performed.



(d) 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, all consents, permissions, licences, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Demerged Company in relation to the Demerged Undertaking shall stand transferred to the Resulting Company in which the Demerged Undertaking shall vest by way of the demerger hereunder, as if the same were originally given by, issued to or executed in favour of Resulting Company, and Resulting 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 Resulting Company. The Resulting Company shall make applications to and obtain relevant approvals from the concerned Governmental Authorities as may be necessary in this behalf.

(e) 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 any of the Demerged Unit which the Demerged Company owns or to which the Demerged

Company is a party and which cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such asset or contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company to which the Demerged Unit is being transferred in terms of this Scheme, in so far as it is permissible so to do, till such time as the transfer is effected.

4.2 Transfer of liabilities

4.2.1 (a) Upon the coming into effect of this Scheme, all debts, liabilities, loans raised and used, liabilities and obligations incurred, duties or obligations of any kind, nature or description (including contingent liabilities) of the Demerged Company (as on the Appointed Date) and relating to the Demerged Unit, shall, without any further act or deed, be demerged from the Demerged Company and be and stand transferred to and be deemed to be transferred to the Resulting Company to the extent that they are outstanding as on the Effective Date and on the same terms and conditions as applicable to the Demerged Company, and shall become the debts, liabilities, duties and obligations of the Resulting Company which shall meet, discharge and satisfy the same.

(b) Where any of the debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations of the Demerged Company as on the Appointed Date deemed to be transferred to the Resulting Company have been discharged by the Demerged 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 Resulting Company.

(c) All loans raised and used and all liabilities and obligations incurred by the Demerged Company for the operations of Demerged Unit after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Resulting Company in which the Demerged Unit shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Resulting Company and shall become the debts, liabilities, duties and



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obligations of the Resulting Company which shall meet discharge and satisfy the same. Provided however that no debts, liabilities, loans raised and used, liabilities and obligations incurred, dues and obligations shall have been assumed by the Demerged Company in relation to Demerged Unit after the Appointed Date without the prior written consent of the Resulting Company.

4.2.2 (a) The demerger and the transfer and vesting of the assets comprised in the Demerged Unit to and in the Resulting Company under Clause 4.1 of this Scheme shall be subject to the mortgages and charges, if any, affecting the same as hereinafter provided.

(b) The existing securities, mortgages, charges, encumbrances or liens (the "Encumbrances") or those, if any created by the Demerged Company after the Appointed Date, in terms of this Scheme, over the assets comprised in any of Demerged Unit or any part thereof transferred to the Resulting Company by virtue of this Scheme, shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they related or attached prior to the Effective Date and as are transferred to the Resulting Company, and such Encumbrances shall not relate or attach to any of the other assets of Resulting Company Provided however that no Encumbrances shall have been created by the Demerged Company in relation to any of the Demerged Unit after the Appointed Date without prior written consent of the Resulting Company.

(c) In so far as any Encumbrances over the assets comprised in the Demerged Unit are security for liabilities of the Remaining Undertaking retained with the Demerged Company, the same shall, on the Effective Date, without any further act, instrument or deed be modified to the extent that all such assets shall stand released and discharged from the obligations and security relating to the same and the Encumbrances shall only extend to and continue to operate against the assets retained with the Demerged Company and shall cease to operate against any of the assets transferred to the Resulting Company in terms of this Scheme. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.



(d) Without prejudice to the provisions of the foregoing clauses and upon the effectiveness of this Scheme, the Demerged Company and the Resulting Company shall execute any instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, Gujarat to give formal effect to the above provisions, if required.

(e) Upon the coming into effect of this Scheme, the Resulting Company alone shall be liable to perform all obligations in respect of the liabilities, which have been transferred to them respectively in terms of the Scheme, and the Demerged Company shall not have any obligations in respect of such liabilities, and the Resulting Company shall indemnify the Demerged Company in relation to any claim, at any time, against the Demerged Company in respect of the liabilities which have been transferred to the Resulting Company.

(f) It is expressly provided that, save as mentioned in this Clause 4.2.2, no other term or condition of the liabilities transferred to the Resulting Company is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.



(g) Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of this Clause 4.2.2 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.

5. Conduct of Business

5.1 The Demerged Company, with effect from the Appointed Date and up to and including the Effective Date:

(a) shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Demerged Unit and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all the estates, assets,

rights, title, interest, authorities, contracts, investments and strategic decisions of the Demerged Unit for and on account of, and in trust for, the Resulting Company;

- (b) all profits and income accruing or arising to the Demerged Company from the Demerged Unit, and losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) relating to the Demerged Unit upto the Appointed date based on the audited accounts of the Demerged Company shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of the Resulting Company; and
- (c) any of the rights, powers, authorities, privileges, attached, related or pertaining to the Demerged Unit exercised by the Demerged Company shall be deemed to have been exercised by the Demerged Company for and on behalf of, and in trust for and as an agent of the Resulting Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Demerged Unit that have been undertaken or discharged by the Demerged Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Resulting Company.



5.2 With effect from the Appointed Date and until the Effective Date, the Demerged Company undertakes that it will preserve and carry on the business of the Demerged Unit with reasonable diligence and business prudence and shall not undertake financial commitments or sell, transfer, alienate, charge, mortgage, or encumber the Demerged Unit or any part thereof save and except in each case:

- (a) if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with the High Court(s); or (b) if the same is expressly permitted by this Scheme; or (c) if the prior written consent of the Board of Directors of the Resulting Company has been obtained.

5.3 As and from the Appointed Date and till the Effective Date:

- (a) All debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations as on the close of business on 28th February, 2007, whether or not provided in the books of the Demerged Company in respect of the

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Demerged Unit and all debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations relating thereto which arise or accrue to the Demerged Company on or after the Appointed Date in accordance with this Scheme, shall be deemed to be the debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations of the Resulting Company to which that Demerged Unit is transferred.

- (b) All assets and properties comprised in the Demerged Unit as on the date immediately preceding the Appointed Date, whether or not included in the books of the Demerged Company, and all assets and properties relating thereto, which are acquired by the Demerged Company in relation to the Demerged Unit, on or after the Appointed Date, in accordance with this Scheme, shall be deemed to be the assets and properties of the Resulting Company to which that Demerged Unit is transferred.

6. Employees

- (a) Upon the coming into effect of this Scheme, all employees, consultants and advisors other than those specifically referred to in sub-clause (d) below, of the Demerged Company engaged in or in relation to the respective Demerged Unit and who are in such employment as on the Effective Date shall become the employees, consultants or advisors, as the case may be, of the Resulting Company, and, subject to the provisions of this Scheme, on terms and conditions not less favourable than those on which they are engaged by the Demerged Company and without any interruption of or break in service as a result of the transfer of the Demerged Unit.



- (b) In so far as the existing provident fund, gratuity fund and pension and/or superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created by the Demerged Company for the employees of the Demerged Unit are concerned (collectively referred to as the "Funds"), the Funds and such of the investments made by the Funds which are referable to the employees of Demerged Unit being transferred to the Resulting Company in terms of sub clause (a) above shall be transferred to the Resulting Company and shall be held for their benefit pursuant to this Scheme in the manner provided hereinafter. The Funds

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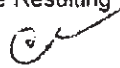
shall, subject to the necessary approvals and permissions and at the discretion of the Resulting Company, either be continued as ^{separate} funds of the Resulting Company for the benefit of the employees of the Demerged Unit or be transferred to and merged with other similar funds of the Resulting Company. In the event Resulting Company does not have its own funds in respect of any of the above, Resulting Company may, subject to necessary approvals and permissions, continue to contribute to the relevant Funds of the Demerged Company, until such time that the Resulting Company creates its own fund, at which time the Funds and the investments and contributions pertaining to the employees of the Demerged Unit shall be transferred to the funds created by Resulting Company.

(c) In so far as the existing provident fund, gratuity fund and pension and/or superannuation fund, trusts created by the Demerged Company for the employees of the Remaining Undertaking are concerned, the same shall continue and the Demerged Company shall continue to contribute to such funds and trusts in accordance with the provisions thereof, and such funds and trusts, if any, shall be held for the benefit of the employees of the Remaining Business.

(d) All employees, consultants and advisors employed or engaged on part time basis by the Demerged Company in relation to the businesses of the Demerged Unit shall, at the option of the Resulting Company, be made available to the Resulting Company in relation to the respective Demerged Unit, at no additional cost for a period of 12 (twelve) months from the Effective Date or such earlier date as the Resulting Company may deem proper or necessary, to provide the same services and advice as they were rendering to the Demerged Company.

7. **Saving of Concluded Transactions**

The transfer and vesting of the assets, liabilities and obligations of the Demerged Unit under Clause 4 hereof shall not affect any transactions or proceedings already completed by the Demerged Company on or before the Appointed Date to the end and intent that, the Resulting Company accepts all acts, deeds and things done and executed by and/or on behalf of the Demerged Company in relation to the Demerged Unit which shall vest in the Resulting Company in terms



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of this Scheme of Arrangement as acts, deeds and things made, done and executed by and on behalf of the Resulting Company.

PART III

REMAINING UNDERTAKING

8. Remaining Undertaking to continue with Demerged Company

8.1 The Remaining Undertaking and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company, subject only to Clause 4.2.2 of this Scheme in relation to Encumbrances, if any in favour of banks, financial institutions and trustees for the debenture-holders.

8.2 (a) All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Remaining Undertaking (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Undertaking) shall be continued and enforced by or against the Demerged Company after the Effective Date. The Resulting Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceeding against the Demerged Company, which relate to the Remaining Undertaking. (b) If proceedings are taken against the Resulting Company in respect of the matters referred to in subclause (a) above, it shall defend the same in accordance with the advice of the Demerged Company and at the cost of the Demerged Company, and the latter shall reimburse and indemnify the Resulting Company against all liabilities and obligations incurred by the Resulting Company in respect thereof.

8.3. With effect from the Appointed Date and up to and including the Effective Date:

(a) the Demerged Company shall carry on and shall be deemed to have been carrying on all businesses and activities relating to the Remaining Undertaking for and on its own behalf;

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- (b) all profits accruing to the Demerged Company thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Undertaking shall, for all purposes, be treated as the profits or losses, as the case may be, of the Demerged Company; and
- (c) all assets and properties acquired by the Demerged Company in relation to the Remaining Undertaking on and after the Appointed Date shall belong to and continue to remain vested in the Demerged Company.

PART IV

REORGANISATION OF CAPITAL

9. Reorganisation of share capital

In consideration of the transfer and vesting of the Demerged Unit in the Resulting Company in accordance with the provisions of Part II of this Scheme and as an integral part of this Scheme, the share capital of the Resulting Company shall be increased/amended in the manner set out in Clauses 10 to 13 below.

10. Issue of shares by Resulting Company

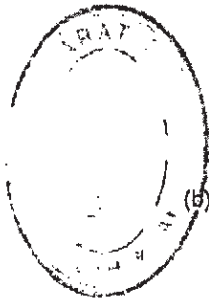
10.1 After the Scheme takes effect, in consideration of the demerger including the transfer and vesting of the Demerged Unit in the Resulting Company pursuant to Part II of this Scheme, the Resulting Company shall, without any further act or deed, issue and allot to each member of the Demerged Company whose name is recorded in the register of members of the Demerged Company on the Record Date equity shares in the Resulting Company in the following ratio:

In the ratio of 1/- (one) equity share in the Resulting Company of the face value of Re.1/- (Rupee one only) each credited as fully paid-up for every 1 (one) equity share of Rs.5/- (Rupees five only) each fully paid-up held by such member or his/her/its heirs, executors, administrators or successors in the Demerged Company.

10.2 (a) Subject to legal advice, pursuant to the provisions of Clause 10.1 above, the Resulting Company may issue, without any extra payment required by Zero Coupon Foreign Currency Convertible Bonds (FCCB) holder, to the Depository

representing the holders of FCCBs of the Demerged Company, equity shares of Re.1/- each of the Resulting Company in addition to and equivalent to the entitlement of the equity shares of the Demerged Company at the time of exercise of the option of the conversion being exercised by such holders of FCCBs in terms of the Offering Circular dated November 24,2004 for FCCB i.e. at the conversion price of Rs.729.30 per share with a fixed rate of exchange on conversion of Rs.45.01=U.S.\$1.00. Accordingly, the FCCB holder shall get one equity share of Rs. 5/- each of the Demerged Company along with one equity share of Re.1/- each of the Resulting Company. However, in all respects, the rights of the FCCB holders to receive the shares of the Resulting Company shall be treated as if he is the shareholder of the Demerged Company in case the right to convert the shares is exercised pursuant to the Offering Circular.

- (i) Provided however that, subject to legal advice, the closing price as referred to in Para 8(B) of Terms and Conditions of the Offering Circular shall be construed to be the aggregate of such closing price of both of the companies i.e., Transferor Company and Transferee Company.
- (ii) Provided however that, subject to legal advice, for the purposes of determining Extraordinary Dividend as referred to in Para 6C(iv) of Terms and Conditions of the Offering Circular, 3% of the Average Closing Price shall be determined by taking the aggregate of closing price and dividend declared of both the companies i.e., Transferor Company and Transferee Company.



In the eventuality of the proposed arrangement as mentioned above under clause 10.2.(a) is not accepted in line with the Offering Circular dated 24th November, 2004 and legal view, then any such suitable alternative may be worked out in which case the Bond Holder may be rewarded for the value of the shares of the Resulting Company as valued by the commercial bank of international repute subject to change in conversion price. However both the conditions namely 10.2.(a) and 10.2.(b) shall be mutually exclusive.

- (c) In the event the FCCB holder(s) do not exercise the option of conversion, then the Transferor Company will redeem the Bonds in terms of Clause-8 under the heading Terms and Conditions of the Bonds of the Offering Circular and the

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Transferee Company shall not have any obligation with regard to the liability of repayment of the said Bonds which have been raised with specific objectives/activities.

11. Other terms applicable to issue of shares

11.1 The equity shares to be issued by the Resulting Company pursuant to Clause 10 above shall be issued in dematerialized form by the Resulting Company, unless otherwise notified in writing by the shareholders of the Demerged Company to the Resulting Company on or before such date as may be determined by the Board of Directors of the Demerged Company or a committee thereof. In the event that such notice has not been received by the Resulting Company in respect of any of the members of the Demerged Company, the equity shares shall be issued to such members in dematerialised form provided that the members of the Resulting Company shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event that a Resulting Company has received notice from any member that equity shares are to be issued in physical form or if any member has not provided the requisite details relating to his/her /its account with a depository participant or other confirmations as may be required or if the details furnished by any member do not permit electronic credit of the shares of the Resulting Company, then the Resulting Company shall issue equity shares in physical form to such member or members.



11.2 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of Directors or any committee thereof of the Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer in the Demerged Company as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in Resulting Company issued by the Resulting Company after the effectiveness of this Scheme.

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- 11.3 The new equity shares issued and allotted by the Resulting Company in terms of this Scheme shall be subject to the provisions of the Memorandum and Articles of Association of the Resulting Company and shall inter-se rank pari passu in all respects.
- 11.4 Equity shares of the Resulting Company issued in terms of Clause 10 of this Scheme will be listed and/or admitted to trading on the National Stock Exchange and/or the Bombay Stock Exchange Ltd. where the shares of the Demerged Company are listed and/or admitted to trading in terms of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000. The Resulting Company shall enter into such arrangements and give such confirmations and/or Units as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said Stock Exchanges. On such formalities being fulfilled the said Stock exchanges shall list and/or admit such equity shares also for the purpose of trading.
- 11.5 For the purpose of issue of equity shares to the shareholders of the Demerged Company, the Resulting Company shall, if and to the extent required, apply for and obtain the required statutory approvals including approval of Reserve Bank of India and other concerned regulatory authorities for the issue and allotment by the Resulting Company of such equity shares.
- 11.6 The equity shares to be issued by the Resulting Company pursuant to this Scheme in respect of any equity shares of the Demerged Company which are held in abeyance under the provisions of Section 206A of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Resulting Company.
- 11.7 Unless otherwise determined by the Board of Directors or any committee thereof of the Demerged Company and the Board of Directors or any committee thereof of the Resulting Company, Issuance of equity shares in terms of Clause 10 above shall be done within 60 days from the Date of sanction of this scheme by the Honourable Court.



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11.8 For the Purpose of Income Tax as per the expert opinion received by the Demerged Company:

- (a) The cost of acquisition of the shares of the Resulting Company in the hands of the shareholders of the Demerged Company shall be the amount which bears to the cost of acquisition of shares held by the shareholder in the Demerged Company the same proportion as the book value of the net assets transferred in the demerger to the Resulting Company bears to the net worth of the Demerged Company immediately before the demerger hereunder.
- (b) The period for which the share(s) in Demerged Company were held by the shareholders shall be included in determining the period for which the shares in the Resulting Company have been held by the respective shareholder.

12. Amendment in share capital

- (a) Clause V of the Memorandum of Association and Article 4 of the Articles of Association of the Transferee Company (relating to authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 16, 31, 94 and 394 and other applicable provisions of the Act, as the case may be, in the manner set out below and be replaced by the following clause:

"The authorised share capital of the Company is Rs. 26,65,00,000/- (Rupees Twenty Six Crores Sixty Five Lacs only) divided into 26,65,00,000 (Twenty Six Crores Sixty Five Lacs) Equity Shares of Re. 1/- (Rupee one only) each with power to classify or reclassify, increase or reduce the capital from time to time in accordance with the regulations of the Company and the legislative provisions for the time being in force in this behalf and with the power to divided the share capital for the time being into several classes and to attach thereto respectively any preferential, qualified or special rights, privileges or condition including as to voting and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with these present and the Articles of Association."



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- (b) Clause V of the Memorandum of Association and Article 4 of the Articles of Association of the Transferor Company (relating to authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 16, 31, 94 and 394 and other applicable provisions of the Act, as the case may be, in the manner set out below and be replaced by the following clause:

"The authorised share capital of the Company is Rs. 1500,000,000/- (Rupees One Thousand Five Hundred Millions only) divided into 254,700,000 (Two Hundred Fifty Four Millions and Seven Hundred Thousands) Equity Shares of Rs. 5/- (Rupees Five only) each, 25,000,000 (Twenty Five Millions) Preference Shares of Re.1/- (Rupee one only) and 2,015,000 (Two Millions and Fifteen Thousands) Preference Shares of Rs.100/- (Rupees One Hundred only) with power to classify or reclassify, increase or reduce the capital from time to time in accordance with the regulations of the Company and the legislative provisions for the time being in force in this behalf and with the power to divide the share capital for the time being into several classes and to attach thereto respectively any preferential, qualified or special rights, privileges or condition including as to voting and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with these present and the Articles of Association.



PART V

ACCOUNTING TREATMENT

16. Accounting by the Demerged Company and the Resulting Company in respect of assets and liabilities
- 13.1 Accounting treatment in the books of the Demerged Company:
- (a) The assets and the liabilities of the Demerged Company being transferred to the Resulting Company shall be at values appearing in the books of accounts of the Demerged Company on the closing of business on 28th February, 2007;
- (b) The difference between the value of assets and value of liabilities transferred pursuant to the Scheme shall be appropriated against Securities Premium account of the Demerged Company if any, after appropriation, will be further appropriated against Capital Reserve account of the Demerged Company if any.

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after appropriation, will be further appropriated against the Capital Redemption Reserve Account of the Demerged Company, will be further appropriated against General Reserve Account of the Demerged Company if any. The balance of Capital Redemption Reserve/General Reserve Account shall stand reduced to that extent.

- (c) The reduction, if any, in the Securities Premium Account /Capital Redemption Reserve Account of the Demerged Company shall be effected as an integral part of the Scheme in accordance with the provisions of Section 78 and Sections 100 to 103 of the Act and the Order of the High Court sanctioning the Scheme shall be deemed to be also the Order under Section 102 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital, and the provisions of Section 101 of the Act will not be applicable.
- (d) The book value of investment by the Demerged Company in the share capital of Resulting Company shall stand cancelled on and from the appointed date of demerger and the same shall be adjusted/debited to the Profit & Loss Account of the Demerged Company.

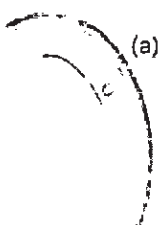
13.2 Accounting treatment in the Books of the Resulting Company

- (a) Upon coming into effect of this Scheme and upon the arrangement becoming operative, the Resulting Company shall record the assets and liabilities comprised in the Demerged Unit transferred to and vested in them pursuant to this Scheme, at the same value appearing in the books of Demerged Company on the closing of business on 28th February, 2007.
- (b) the Resulting Company shall credit their respective Share Capital Accounts in their books of account with the aggregate face value of the new equity shares issued to the shareholders of Demerged Company pursuant to Clause 10.1 of this Scheme.
- (c) The excess or deficit, if any, remaining after recording the aforesaid entries shall be credited by the Resulting Company to its General Reserve Account or debited to goodwill, as the case may be.

- (d) On allotment of shares by the Resulting Company in terms of Clause 10.1 above, the existing shareholding of SPIL, the Demerged Company, in the Resulting Company shall be cancelled as an integral part of this Scheme in accordance with provisions of Sections 100 to 103 of the Act and the Order of the High Court sanctioning the Scheme shall be deemed to be also the Order under Section 102 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital, and the provisions of Section 101 of the Act will not be applicable. Subsequently, the amount of cancelled shareholding of SPIL, the Demerged Company, in the Resulting Company shall be credited to the General Reserve account of the Resulting Company.
- (e) When the Resulting Company is required to issue in terms of Clause 10.2(a) above, the shares of the Resulting Company on every exercise of option of conversion of the FCCB by FCCB Holders in terms of the Offering Circular, the Resulting Company shall transfer the face value of amount of shares issued from the General Reserve account of the Resulting Company.

PART VI
GENERAL TERMS AND CONDITIONS

14. Dividends



- (a) The Demerged Company and Resulting Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period after the Appointed Date and prior to the Effective Date
- (b) The holders of the shares of the Demerged Company and the Resulting Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.
- (c) It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Demerged Company and/or the Resulting Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the respective Boards of Directors of the Demerged

Company and the Resulting Company and subject to the approval of the shareholders of the Demerged Company and the Resulting Company respectively.

15. **Agreements**

The Resulting Company will have the right to use the "Sun" brand and logo and suitable agreements will be entered into in this regard. Further, suitable agreement like licencing or otherwise shall also be entered into in relation to the supply of know-how for existing products by The Resulting Company to the Demerged Company for marketing of such products in the market where the Demerged Company has strong foothold with the agreed payment schedules on milestones and the Demerged Company shall have first right of refusal for marketing of future products. The Demerged Company may pay to the Resulting Company about Rs. 200 crores or such amounts as may be mutually agreed upon by both, the Demerged Company and the Resulting Company over a period of two years pursuant to the same agreements.

16. **Approvals**

The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government or any State Government and all other agencies, departments and authorities concerned as may be necessary under any law for such consents, approvals and sanctions which the Resulting Company may require to own the Demerged Unit and carry on business activities relating to Innovative R & D.

17. **Filing of Applications**

The Demerged Company and Resulting Company shall, with all reasonable dispatch, make and file all necessary applications and petitions before the High Court for the sanction of this Scheme of Arrangement under Sections 391 and 394 of the Act and each of them shall apply for all necessary approvals as may be required under law.

18. **Modification of Scheme**

- (a) The Demerged Company and the Resulting Company by their respective Boards of Directors or any committee thereof or any Director authorised in that behalf

(hereinafter referred to as the "Delegate") may assent to, or make, from time to time, any modifications or amendments or additions to this Scheme which the High Court(s) or any authorities under law may deem fit to approve of or impose and which the Demerged Company and the Resulting Company may in their discretion accept such modifications or amendments or additions as the Demerged Company and the Resulting Company or as the case may be, their respective Delegate may deem fit, or required for the purpose of resolving any doubts or difficulties that may arise for carrying out this Scheme, and the Demerged Company and the Resulting Company by their respective Boards of Directors or Delegate are hereby authorised for any reason, then Demerged Company and the Resulting Company shall be at liberty to withdraw the Scheme. The aforesaid powers of the Demerged Company and the Resulting Company to do, perform and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect. In the event that any conditions may be imposed by the High Court or any authorities, which the Demerged Company or the Resulting Company find unacceptable Demerged Company and the Resulting Company may be exercised by the Delegate of the respective Companies.



(b) For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Delegates (acting jointly) of the Demerged Company and the Resulting Company may give such directions as they may consider necessary to settle any question or difficulty arising under this Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders, depositors or debenture holders of the respective Companies), or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those conditions (to the extent permissible under law).

19. Scheme Conditional Upon:

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- 19.1 This Scheme is conditional upon and subject to:
- (a) This Scheme being agreed to by the respective requisite majorities of the various classes of members and creditors (where applicable) of the Demerged Company and the Resulting Company as required under the Act and the requisite orders of the High Court referred to in Clause 19 being obtained;
 - (b) The requisite sanctions and approvals including but not limited to in-principle approvals, sanctions of any Governmental Authority, as may be required by law in respect of this Scheme being obtained; and
 - (c) The certified copies of the orders of the High Court sanctioning this Scheme being filed with the Registrar of Companies, Gujarat.

19.2 In the event of this Scheme failing to take effect within 12 months of first filing in High Court or such later date as may be agreed by the respective Boards of Directors of the Demerged Company and the Resulting Company, this Scheme shall stand revoked, cancelled and be of no effect and become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se by the parties or their shareholders or creditors or employees or any other person. In such case, each Company shall bear its own costs, charges and expenses or shall bear costs, charges and expenses as may be mutually agreed.

20. Expenses Connected with the Scheme

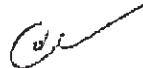
All costs, charges and expenses of the Transferor Company and the Resulting Company respectively in relation to or in connection with the negotiation leading to or in connection with the negotiation leading up to this Scheme of carrying out and completing the terms and provisions of this Scheme and/or incidental to the completion of the arrangement of the Transferor Company in pursuance of this Scheme shall be borne and paid by the Demerged Company.

Schedule I

Innovative R & D

Part 'A'

Book value of Assets over Liabilities as on 31st December, 2005 aggregates approximately to Rs. 500 Million.



Dated this 1st day of March 2007.

Witness Yash Ravi Meena Esquire,
the Chief Justice at Ahmedabad

aforesaid this First day of March Two Thousand Seven.

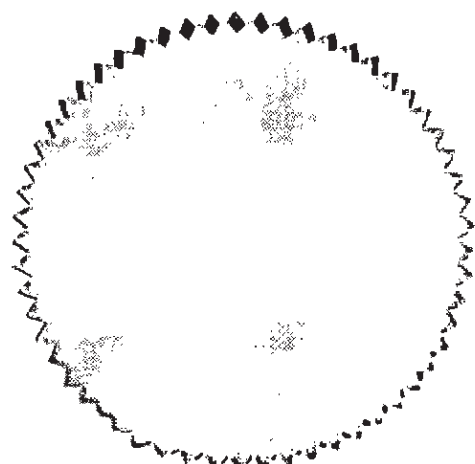
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By the order of the Court

[Signature]
Registrar (Judicial)

this 2nd day of March 2007

*Ans
26/3/07
K. S. S.*



Sealer

28/3/07

This 28th day of March 2007

Order drawn by:

Swati Sarparkar

(Swati Saurabh Soparkar)
Advocate

204, Aakanksha, Opp. Vadilal House,
Nr. Mount Carmel Railway Crossing,
Navrangpura, Ahmedabad.

RECEIVED

[Signature]
ASSISTANT REGISTRAR
THIS DAY OF

**SCHEME OF ARRANGEMENT
IN THE NATURE OF SPIN OFF AND
TRANSFER OF DOMESTIC
FORMULATION UNDERTAKING OF
SUN PHARMACEUTICAL INDUSTRIES LTD
TO
SUN PHARMA LABORATORIES LTD**

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No. No. (Rs.) 32 pages
Comparing & Copies Charges
Total Rs. 116.00

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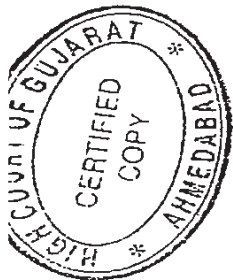
Section Officers
Decree Department
Dt. 27/5/2013

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IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

Copy Applied on : 3/5/13
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Sent by :
Registered By Post :
ORIGINAL JURISDICTION
COMPANY PETITION NO. 31 OF 2013
CONNECTED WITH
COMPANY APPLICATION NO. 373 OF 2012

S. O. 27/5/13



In the matter of Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956;

And

In the matter of

Sun Pharmaceutical Industries Limited.

A company incorporated under the Companies Act, 1956 and having its registered office at SPARC, Tandalja, Vadodara- 390 020, in the State of Gujarat.

And

Scheme of Arrangement in the nature of Spin off and Transfer of Domestic Formulation Undertaking of Sun Pharmaceutical Industries Limited to Sun Pharma Laboratories Limited.

Sun Pharmaceutical Industries Limited.

A company incorporated under the Companies Act, 1956 and having its registered office at SPARC,

Tandalja, Vadodara- 390 020, in the State of

Gujarat.....Petitioner Transferor Company

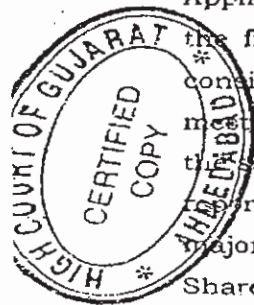
BEFORE HONOURABLE Mr. JUSTICE R. M. CHHAYA

Date: 3rd May 2013

Order On Petition

The above petition coming for hearing on 3rd May 2013, upon reading the said Petition, the order dated 21st December, 2012 passed in the Company Application No. 373 of 2012 whereby the meeting of the Equity Shareholders of the Petitioner company was directed to be convened for the purpose of considering, and if thought fit, approving, with or without modifications, the proposed Scheme of Arrangement in the nature of Spin off and Transfer of Domestic Formulation Undertaking of Sun Pharmaceutical Industries Limited to Sun Pharma Laboratories Limited,

whereas the meetings of the Secured and Unsecured Creditors were dispensed with in view of the contentions about the strong financial position of the Transferor Company and the rights and interests of creditors not being affected as the scheme does not propose to transfer any liabilities; and annexed to the affidavit of Mr. Ashok Bhuta filed on 19th December 2012, and The Indian Express and Divya Bhaskar, both Vadodara editions dated 29th December 2012 each containing the advertisement of the said notice convening the said meeting directed to be held by the said order dated 21st December 2012, the affidavit of Mr. Dilip Shanghvi dated 1st January 2013 showing the publication and dispatch of the notices convening the said meeting; considering the order dated 24th January 2013 passed in Co. Application No. 28 of 2013, permitting to rectify an inadvertent error and the final version of scheme being placed on record of the Hon'ble court; considering the report of Mr. Sudhir V. Valia, the Chairman for the said meeting alongwith the affidavit dated 1st February 2013 as to the result of the said meeting convened on 25th January 2013, and it appearing from the report that the said scheme was approved by the requisite statutory majority of 99.07% in number and 99.93% in value by the Equity Shareholders at the said meeting; considering the affidavit dated 22nd April 2013 filed by Mr. Kashmir Lal Kamboj, the Regional Director, North-Western Region, Ministry of Corporate Affairs; and the additional affidavit dated 26th April 2013 filed by Mr. Ashok I. Bhuta on behalf of Petitioner; and upon hearing Mr. Saurabh N. Soparkar, learned Senior Advocate appearing with Mrs. Swati Soparkar, Advocate for the Petitioner Company, and upon hearing Mr. M. Iqbal A. Shaikh, learned counsel appearing for the Central Govt.,



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This Court doth hereby sanction the scheme of arrangement set forth in para 15 of the petition herein and in the Schedule hereto, and doth hereby declare the same to be binding on the Equity Shareholders of the above named Company and also on the said Company.

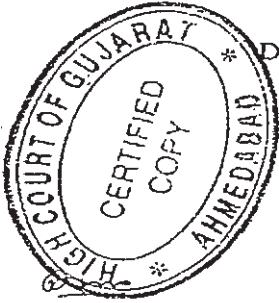
And this Court doth further order that parties to the scheme of arrangement or other persons interested shall be at liberty to apply to this Court for any directions that may be necessary in regard to the working of the said arrangement, and

That the said Company do file with the Registrar of the Companies a certified copy of this order within 30 days from the receipt of the same, and

This Court doth further order payment of Rs. 7,500/- in aggregate as the cost of this petition awardable to Mr. M. Iqbal A. Shaikh,, the learned counsel appearing for the Central Govt.

SCHEDULE

Scheme of Arrangement as sanctioned by the court.



Dated this 3rd day of May 2013.

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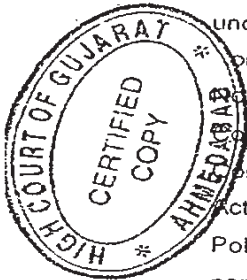
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~~ANNEXURE - F~~

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**SCHEME OF ARRANGEMENT
BETWEEN
SUN PHARMACEUTICAL INDUSTRIES LIMITED - TRANSFEROR COMPANY
AND
SUN PHARMA LABORATORIES LIMITED - TRANSFEEE COMPANY
AND THEIR RESPECTIVE MEMBERS
UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956**

This Scheme of Arrangement provides for spin off / transfer of the Domestic Formulation Undertaking (as defined hereinafter) of Sun Pharmaceutical Industries Limited, (Company Registration No. 04-19051 having CIN L24230GJ1993PLC019050), a company incorporated under the Companies Act, 1956 on 1st March, 1993, (hereinafter referred to as the "Transferor Company") as a going concern to Sun Pharma Laboratories Limited (Company Registration No. 31527 having CIN U25200GJ1997PLC031527), a company incorporated under the Companies Act, 1956 on 17th January, 1997 being a wholly owned subsidiary of the Transferor Company pursuant to Sections 391 to 394 and other relevant provisions of the Companies Act, 1956. The Transferee Company incorporated under the name of Sun Resins and Polymers Limited was converted into a public limited company on 30th August, 2012 and its name was further changed to Sun Pharma Laboratories Limited pursuant to Fresh certificate of incorporation dated 1st October, 2012 issued by the Registrar of Companies, Gujarat (hereinafter referred to as the "Transferee Company").



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1. **PREAMBLE**

A. **Description of Companies:**

(a) **The Transferor Company**

- a. Is a leading listed pharmaceutical company engaged in the business of development, manufacture, sale, trading, and export of bulk drugs and pharmaceutical formulations. The pharmaceutical products of the Transferor Company are sold in India and various countries of the world.

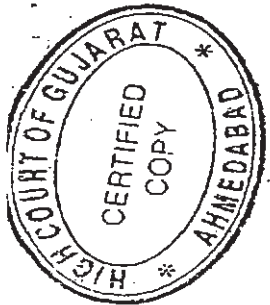
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b. Has two pharmaceutical business activities -one part of the business caters to domestic formulation market i.e. the Domestic Business Undertaking and the Remaining Undertaking consists of international formulation business, bulk drug business and other allied / related / incidental / investment activities.

(b) The Transferee Company was incorporated on 17th January, 1997 as Sun Resins and Polymers Private Limited. The name of the Transferee Company was changed to Sun Resins and Polymers Limited and further changed to Sun Pharma Laboratories Limited. The Transferee Company's main objects clause include development, manufacture, sale, trading, and export of pharmaceutical formulations, and is currently a wholly owned subsidiary company of the Transferor Company. However no manufacturing business is being currently carried out. The registered office of the Transferee Company is in the process of being shifted from the state of Gujarat to the state of Maharashtra

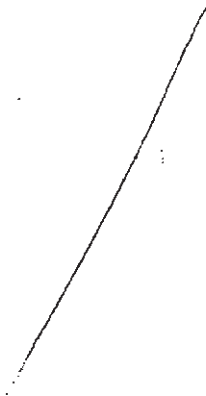


B. Rationale for the Scheme of Arrangement:

(a) The Transferor Company's business of Domestic Formulation Undertaking and the Remaining Undertaking are continuously growing both horizontally and vertically. Maintaining this growth momentum is an opportunity as well as a challenge. In order to seize this opportunity by overcoming the related challenges each of these businesses will require focused and strategic attention to the various parts / aspects of both the businesses.

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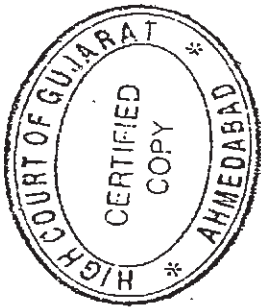
The Domestic Formulation Undertaking (as defined hereinafter) of the Transferor Company has shown good growth and is growing constantly. In order to sustain the long term growth, profitability, market share, customer service, and face the competitive regulatory environment, risks and policies etc. It requires focused management attention, different skill



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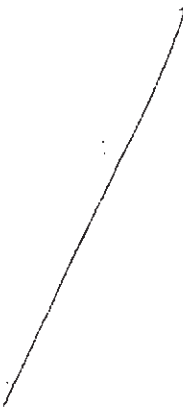
sets and resources. Similarly, the Remaining Undertaking (as defined hereinafter) of the Transferor Company has different profile and requires different kind of focus, attention to meet the ever expanding market / geography and growth opportunities, newer market, varied regulatory requirements, risks, litigation etc., as compared to the Domestic Formulation Undertaking of the Transferor Company. The Domestic Formulation Undertaking is India centric business and is different in nature from the Remaining Undertaking.

The Transferor Company intends to reorganise the Domestic Formulation Undertaking and Remaining Undertaking to provide focused management attention, skills and resources and risk management required respectively by both the undertakings / businesses and hence it is proposed to segregate the Transferor Company's business into two different Companies by way of transfer of the Domestic Formulation Undertaking to the Transferee Company, being its wholly owned subsidiary Company.



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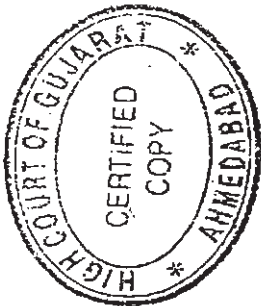
- (b) The proposed segregation of the Domestic Formulation Undertaking of the Transferor Company and the Remaining Undertaking is likely / expected to enhance the value for the shareholders in future and allow a focused strategy in operations of both the Companies, which would be in the best interests of the Transferor Company its shareholders and other stakeholders
- (c) The nature of profile involved in businesses of both the Undertakings of the Transferor Company is distinct from each other. In order to lend greater focus to the operations of each of these Undertakings, the Transferor Company proposes to reorganise the businesses by spinning off / segregating the Domestic Formulation Undertaking into a separate company viz. Transferee Company



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- (d) The transfer / spin off may also provide scope for independent collaboration and expansion of each of these Undertakings / businesses of the Transferor Company without committing the existing organization in its entirety.
- (e) The Board of Directors of the Transferor Company is of the opinion that the spin off / transfer would benefit the shareholders, employees and other stakeholders of the Transferor Company.
- (f) The Board of Directors of the Transferor Company is of the opinion that the spin off / transfer would also strengthen the organisation structure for the Domestic Formulation Undertaking and the Remaining Undertaking thereby motivating the employees of each of these Undertakings by providing them with accelerated growth opportunities and greater focus which will provide impetus to corporate performance thereby enhancing overall shareholder value.
- (g) It is believed that the proposed segregation of the Domestic Formulation Undertaking will allow better activity in operations, which would be in the best interest of the Transferor Company, its shareholders and other stakeholders.



With the aforesaid objectives, it is proposed to spin off / transfer the Domestic Formulation Undertaking of the Transferor Company to the Transferee Company.

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Purpose of the Scheme:

- (a) It is, therefore, proposed that certain assets but excluding all liabilities of the Transferor Company's Domestic Formulation Undertaking be segregated and transferred / spun off as a going concern pursuant to a Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 to the Transferee Company being a wholly owned subsidiary

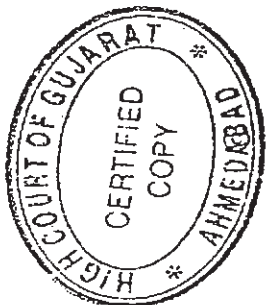
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company. This is considered necessary for accelerating the sustained long term growth, profitability, market share and customer service and to better face the competitive regulatory environment, risks and policies through independent focus and attention to each of these businesses. The Transferor Company will continue its interests in the Remaining Undertaking as is presently being carried out but with greater focus, attention to the ever expanding market / geographies, growth opportunities, and the regulatory requirements, risks, litigation etc. specific to this business.

- (b) With the aforesaid objective and to give effect to the terms of this Scheme of Arrangement, the Transferee Company, which is a wholly-owned subsidiary of the Transferor Company, has been selected to be the Transferee Company.



In furtherance of the aforesaid, this Scheme of Arrangement provides for:

- (i) The spin off / transfer of the Domestic Formulation Undertaking of the Transferor Company to the Transferee Company;
- (ii) Various other matters consequential or otherwise integrally connected therewith.

D. DEFINITIONS:

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

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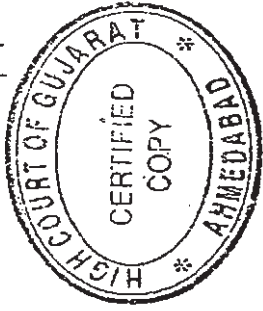
- (a) 'Act' means the Companies Act, 1956 including any statutory modifications, re-enactments or amendments thereof.
- (b) 'Appointed Date' means 31st March, 2012 or such other date as may be approved by the High Court.
- (c) 'Court' or 'High Court', means Hon'ble High Court of Judicature of Gujarat at Ahmedabad, and High Court of Judicature of Bombay at Mumbai, as

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applicable, and shall include the National Company Law Tribunal, if applicable.

- (d) 'Domestic Territory' means the territory of whole of India.
- (e) 'Domestic Formulation Undertaking's Activities' means all activities of the Transferor Company relating to the business of developing, researching, manufacturing, processing, buying, selling, importing, trading, marketing, storing, distribution of pharmaceutical formulations and items related thereto such as packing materials, packaging materials, raw materials, finished goods, inventory, stores, spares, etc. for the Domestic Territory.



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(f) 'Domestic Formulation Undertaking' shall mean and include on close of business hours on 31st March, 2012:

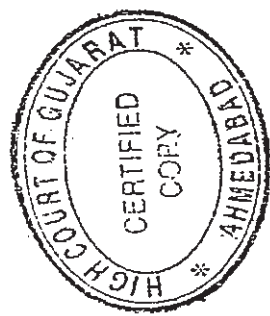
- I) All the assets, movable, tangible and intangible of the Domestic Formulation Undertaking's Activities of the Transferor Company other than excluded herein after (hereinafter referred to as 'the said Assets');
- II) the right, title and interests of the Transferor Company as a partner in the Partnership Firms to the extent of 75% of the total profit sharing ratio in each out of the Transferor Company's share in the profit sharing ratio and including the right to receive 75% of the remuneration receivable by the Transferor Company from the said Partnership Firms as a working partner out of the rights held by the Transferor Company in the said Firms till the time of continuation of the Partnership Firms.
- III) Without prejudice to the generality of sub-clause (I) and (II) mentioned above, the Domestic Formulation Undertaking of the Transferor Company shall include all Domestic Formulation Undertaking's business, operations specific to the Domestic Formulation Undertaking's Activities comprising assets including investments, claims, powers, authorities, allotments, approvals, consents, contracts, enactments, arrangements, rights, titles, interests, benefits, advantages, lease-hold rights and tenancies, and

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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 sales tax / VAT, municipal permissions, systems of any kind whatsoever, rights and benefits of all agreements and other interests including rights and benefits under various schemes of different taxation and other laws as may belong to or be available to or be used by the Domestic Formulation Undertaking or the Domestic Formulation Undertaking's Activities of the Transferor Company, rights and powers of every kind, nature and description of whatsoever probabilities, liberties, easements, tenancies, 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, technical know-how, goodwill, benefits and advantages of carrying on the business, availing the manufacturing facilities of the Transferor Company for the Domestic Formulation Undertaking's Activities on mutually acceptable terms, enterprise resource planning software, accounting and other software, software licenses, permissions and connections, drawings, formulae, artwork secret processes, noting's, website/web page and any other intellectual property rights of any nature whatsoever, authorizations, permits, all records, files, papers, computer programs, books of accounts, corporate records, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and other records in connection with or in relation to the Domestic Formulations Division Activities or undertaking of the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession, or the control of or vested in or



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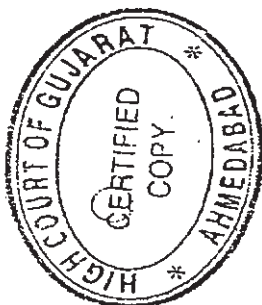
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granted in favour of or held for the benefit of or enjoyed by the Domestic Formulation Undertaking's Activities of the Transferor Company;

However, it shall not include the following as on close of business hours on 31st March, 2012:

1. Manufacturing facilities together with factory land and buildings, plant and machinery and other fixed assets relating to one or more factories at which the manufacturing activity for the Domestic Formulation Undertaking is carried out and all fixed assets which are being commonly used for the Domestic Formulation Undertaking and the Remaining Undertaking
2. Research and development facilities including premises, plant and equipments and other fixed assets together with all approvals, licenses, permits, etc. in relation to the said research and development facilities;
3. All liabilities whatsoever of the Domestic Formulation Undertaking, including current liabilities;
4. The balances of the Transferor Company in the capital and / or current account and / or loan accounts in the Partnership Firms;
5. The unutilized credits relating to Excise duties paid on inputs lying, as well as the unutilized credits relating to Service Tax paid on input services consumed, on account of the Domestic Formulation Undertaking's Activities;
6. All employment contracts of employees in the manufacturing facilities referred to in 1 above, research and development facilities referred to in 2 above and all other employees who commonly attend to the Domestic Formulation Undertaking and the Remaining Undertaking.

(g) 'Effective Date' means the last of the dates on which the sanctions / approvals or orders as specified in Clause No.18 of this Scheme has been obtained and / or filed by the Transferor Company and the Transferee Company with the Registrar of Companies.



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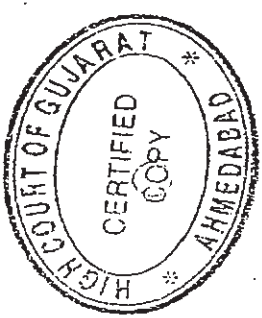
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- (h) 'Non-Domestic Territory' - means territory other than the Domestic Territory.
- (i) 'Partnership Firms' mean the partnership firms named M/s Sun Pharmaceutical Industries and M/s. Sun Pharma Sikkim having their respective principal place of business at Acme Plaza, Andheri Kurla Road, Andheri (East), Mumbai 400 059.
- (j) 'Remaining Undertaking' means the all the businesses and activities of the Transferor Company other than the Domestic Formulation Undertaking.
- (k) 'Scheme' means this Scheme of Arrangement in its present form including any modifications or amendments thereto.
- (l) 'Transferee Company' means Sun Pharma Laboratories Limited a public limited company incorporated under the Companies Act, 1956 and having its Registered Office at 402, 4th Floor, R K Centre, Fatehgunj Main Road, Baroda, Gujarat- 390 002 and which is in the process of shifting it to Mumbai at Acme Plaza, Andheri Kurla Road, Andheri (east), Mumbai 400059
- (m) 'Transferor Company' means Sun Pharmaceutical Industries Limited, a public limited company incorporated under the Companies Act, 1956 and having its Registered Office at SPARC, Tandajja, Vadodara Gujarat 390020.



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All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Companies Act, 1956, 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 Balance Sheet as on 31st March, 2012 and provisional Balance Sheet as on 31st August, 2012 is as under:

Authorised Share Capital:

1,500,000,000 Equity Shares of Re. 1/- each	Rs. 1,500,000,000
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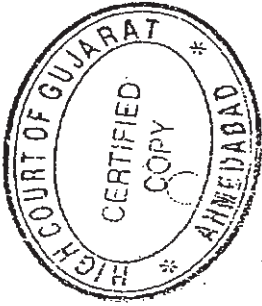
Total	Rs. 1,500,000,000
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Issued, subscribed and paid up share capital:

1,035,581,955 Equity Shares of Re. 1/- each	Rs. 1,035,581,955
Total	Rs. 1,035,581,955

The Equity Shares of Sun Pharmaceutical Industries Limited, the Transferor Company, are at present listed on the BSE Limited and the National Stock Exchange of India Limited.

There is no change in the Share Capital of the Transferor Company as on the date of this Application.



B. The Share Capital of the Transferee Company as per the Audited Balance Sheet as on 31st March, 2012 and the provisional Balance Sheet as on 31st July, 2012 is as under:

Authorised Share Capital:

50,000 Equity Shares of Rs.10 each	Rs. 500,000
100, 12% Redeemable Non - Cumulative Preference Shares of Rs. 100 each	Rs. 10,000
Total	Rs. 5,10,000

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Issued, Subscribed and Paid-up Share Capital:

50,000 Equity Shares of Rs.10 each	Rs. 500,000
100 12% Redeemable Non - Cumulative Preference Shares of Rs. 100 each	Rs. 10,000
Total	Rs. 5,10,000

As on 30th September, 2012 the details of Share Capital are as under:

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Authorised Share Capital:

1,00,00,000 Equity Shares of Rs.10 each	Rs. 10,00,00,000
40,00,000 Redeemable Preference Shares of Rs. 100 each	Rs. 40,00,00,000
Total	Rs. 50,00,00,000

Issued, Subscribed and Paid-up Share Capital:

50,000 Equity Shares of Rs.10 each	Rs. 500,000
100 12% Redeemable Preference Shares of Rs. 100 each	Rs. 10,000
Total	Rs. 5,10,000



The Transferee Company viz. Sun Pharma Laboratories Limited was incorporated on 17th January, 1997. It is a wholly-owned subsidiary of the Transferor Company.

3. TRANSFER OF UNDERTAKING:

- (a) On and with effect from the close of business hours on the Appointed Date and subject to the provisions of this Scheme and pursuant to the provisions of Section 394 and other applicable provisions of the Act and in relation to the mode of transfer and vesting, the Domestic Formulation 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 as a going concern so as to become as and from the close of business hours on the Appointed Date, the estate, rights, titles and interests and authorities including accretions and appurtenances thereto such as dividends, or other benefits receivable, that of the Transferee Company.
- (b) All the employees of the Domestic Formulation Undertaking (other than those referred in 1.D.(f).6 above shall, without any further act, instrument or deed of the Transferee Company, pursuant to the provisions of Section 394 of the Act, become as and from the close of business hours on the Appointed Date, the

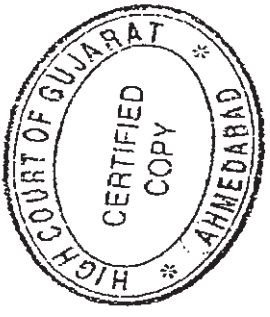
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employees of the Transferee Company and further that it shall not be necessary to obtain consent of any person, in order to give effect to the provisions of this Clause.

(c) Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Domestic Formulation Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall 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.

(d) 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, 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 sales tax / VAT, municipal 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 Domestic Formulation Undertaking, to the Transferee Company in which the Domestic Formulation Undertaking shall vest by way of the spin off / transfer hereunder, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the



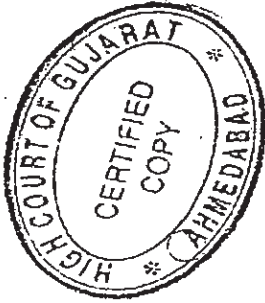
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Transferee Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall make applications to and obtain relevant 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.

- (c) 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 Domestic Formulation 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 Domestic Formulation Undertaking is being transferred in terms of this Scheme, 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 Domestic Formulation Undertaking's Activities without any consideration.
- (f) All loans raised and used and all liabilities and obligations incurred by the Transferor Company only for the operations of Domestic Formulation Undertaking after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Transferee Company in which the Domestic Formulation Undertaking shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Transferee Company and shall become the debts, liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.
- (g) Without prejudice to clause (a) above, it is expressly provided that in respect of such assets belonging to and specific to the Domestic Formulation Undertaking of the Transferor Company as are movable in nature or are otherwise capable of



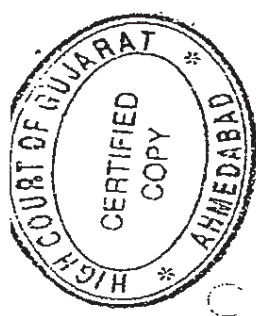
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transfer by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company, and shall become the property of the Transferee Company in pursuance of the provisions of Section 394 and other applicable provisions of the said Act.



- (n) 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 High Court of Gujarat and High Court of Bombay sanctioning the Scheme, the said debt, loan, advance, etc. be paid or made good or held on account of the Transferee Company as the person entitled thereto and that the right of the Transferor Company to recover or realise the same stands extinguished.
- (i) 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 High Court of Gujarat and High Court of Bombay having sanctioned the Scheme, 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.
- (j) With effect from the Appointed Date, the existing securities / charges created over assets of the Domestic Formulation Undertaking by the Transferor Company in favour of consortium of banks shall extinguish and shall cease to have any effect over the said Assets to be transferred to the Transferee Company upon approval of the Scheme of arrangement.
- (k) Without prejudice to the provisions of the foregoing clauses and upon the effectiveness of this Scheme, 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 Registrar of Companies, to give formal effect to the above provisions, if required.
- (l) Upon the coming into effect of this Scheme, 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

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Scheme, 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.

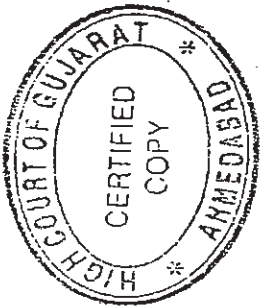
(m) Upon the coming into effect of this Scheme, the Transferee Company alone shall be liable to perform all obligations in respect of the liabilities from the Appointed Date, which have been incurred by the Transferor Company for and on behalf of the Transferee Company and in relation to the Domestic Formulation Undertaking in terms of the Scheme, 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.

(n) Upon the coming into effect of the Scheme, the profit sharing ratios of the Partnership Firms shall be as follows:

Partner	Share in profit	Share in profit
	from 1-4-12 to 31-7-12	from 1-8-12 to 31-8-12
Transferor Company	22.5%	22.5%
Transferee Company	75.5%	76%
Others partners other than the Transferor Company and Transferee Company	2%	1.5%

The share in the loss shall not be modified.

Further the Transferor Company for an on behalf of the Transferee Company and as part of the Domestic Formulation Undertaking shall from the 1st day of April, 2012 be deemed to have performed the obligations as a working partner as provided in the respective deeds of partnership of the Partnership Firms and in lieu of that 75% of the remuneration receivable by the Transferor Company from the Partnership Firms shall with effect from the 1st day of April, 2012 belong and be vested in the Transferee Company and the terms of partnership



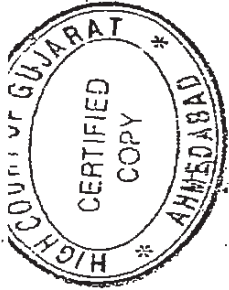
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deed/s of the Partnership Firms shall be and shall be deemed to have been suitably modified to provide for the above and such change shall be effective from the 1st day of April, 2012 pursuant to and as an integral part of the Scheme.

- (o) 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 except to the extent that such amendment is required by necessary implication.
- (p) Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of the clause 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.



CONTRACTS, DEEDS AND OTHER INSTRUMENTS:

Subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which the Domestic Formulation Undertaking of the Transferor Company is a party or to the benefit of which Domestic Formulation Undertaking of 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.

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5. LEGAL PROCEEDINGS:

- (a) Upon coming into effect of this Scheme, all suits, claims, actions and proceedings by or against the Transferor Company, pertaining to the Domestic

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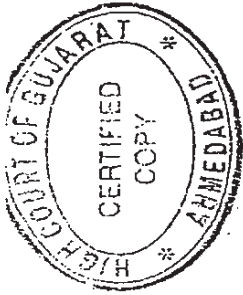
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Formulation Undertaking of the Transferor Company, arising after the Appointed Date but before the Effective Date shall be continued and be enforced by or against the Transferee Company as effectually as if the same had been pending and / or arising 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 Domestic Formulation 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 and the Transferor Company and the Transferee Company shall cooperate with each other in respect of any such legal and other proceedings.

(c) Upon coming into effect of this Scheme, all suits, claims, actions and proceedings by or against the Domestic Formulation Undertaking of the Transferor Company pending on or pertaining to the period prior to the Appointed Date shall be continued and be enforced by or against the Transferor Company as effectually as if the same had been pending and / or arising by or against the Transferor Company.



6. OPERATIVE DATE OF THE SCHEME:

This Scheme though effective from the Appointed Date shall be operative from the Effective Date.

7. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY AND TRANSFEREE COMPANY TILL EFFECTIVE DATE:

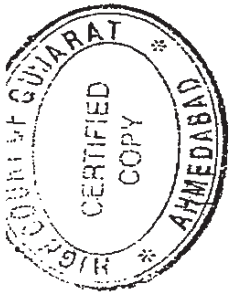
With effect from the Appointed Date, and upto the Effective Date:

- (i) The Transferor Company shall carry on and shall be deemed to have carried on all the business and activities of the Domestic Formulation 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.
- (ii) The Transferor Company as part of the Domestic Formulation Undertaking shall be deemed to have performed duties as partner / working partner in the Partnership

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Firms also for and on behalf of the Transferee Company and 75% of the right, title and interests including the share of profits in the Partnership Firms distributable to and 75% of the remuneration receivable by the Transferor Company from the Partnership Firms shall for all purposes be treated and be deemed to be accrued as the profits or remuneration of the Transferee Company, as the case may be. All the profits or income accruing or arising to the Domestic Formulation Undertaking of the Transferor Company or expenditure or losses arising or incurred (including the effect of taxes, if any, thereon) by the Domestic Formulation Undertaking of the Transferor Company shall, for all purposes be treated and be deemed to be accrued as the profits or income or expenditure or losses or taxes of the Transferee Company, as the case may be.



(iii) The Transferor Company shall carry on the business and activities of the Domestic Formulation Undertaking with reasonable diligence, business prudence and shall not, undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any liabilities or expenditure, issue any additional guarantee, indemnities, letter of comfort or commitments either for itself or on behalf of any third party, or sell, transfer, alienate, charge, mortgage, encumber or otherwise deal with the said Undertaking or any part thereof except in the ordinary course of business or if the same is expressly permitted by this Scheme or pursuant to any pre-existing obligation undertaken by the Domestic Formulation Undertaking of the Transferor Company prior to the Appointed Date, except with prior written consent of the Transferee Company.

Provided that as far as the obligations referred as above are concerned, the restrictions thereunder shall be applicable from the date of the acceptance of the present Scheme by the respective Board of Directors of the Transferor Company and the Transferee Company even if the same are prior to the Appointed Date.

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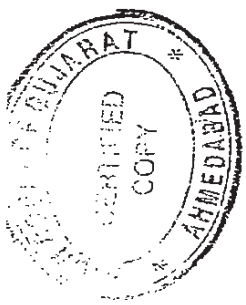
(iv) The Transferor Company shall not vary the terms and conditions and employment of permanent employees of the Domestic Formulation Undertaking except in the ordinary course of business or with prior written approval of the Transferee Company.

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- (v) The Transferor Company shall not, without prior written consent of the Transferee Company, take any major policy decisions in respect of management of the Domestic Formulation Undertaking except in the ordinary course of business.
- (vi) The Transferee Company shall carry on its business and activities with reasonable diligence and business prudence and shall not, undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any liabilities or expenditure, issue any additional guarantees, indemnities, letter of comfort or commitments either for itself or on behalf of its subsidiaries or group companies or any third party, or sell, transfer, alienate, charge, mortgage, encumber or otherwise deal with any of its properties or any part thereof except in the ordinary course of business or if the same is expressly permitted by this Scheme or pursuant to any pre-existing obligation undertaken by the Transferee Company prior to the Appointed Date, except with prior written consent of the Transferor Company.



Provided that as far as the obligations referred as above are concerned, the restrictions there under shall be applicable from the date of the acceptance of the present Scheme by the respective Board of Directors of the Transferor Company and the Transferee Company even if the same are prior to the Appointed date.

The Transferee Company shall not make any change in their capital structure either by any increase (whether by issue of equity shares on a right basis, bonus shares, share warrants, convertible debentures or otherwise) decrease, reduction, reclassification, sub-division or consolidation, reorganisation, or in any other manner except by the mutual consent of the Transferor Company and the Transferee Company or except as may be expressly permitted or envisaged under this Scheme.

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- (vii) The Transferor Company and the Transferee Company shall co-operate with each other for smooth transfer of the Domestic Formulation Undertaking from the Transferor Company to the Transferee Company and any whole time director of the Transferor Company and any director of the Transferee Company shall be empowered to give effect to the scheme in all aspects as may be necessary or expedient including settling any question or difficulties arising in relation to the

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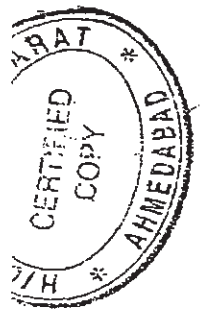
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Scheme in such manner as they deem fit to attain the objectives of this Scheme and their decision in this regard shall be final and binding.

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

8. CONSIDERATION BY THE TRANSFEE COMPANY:

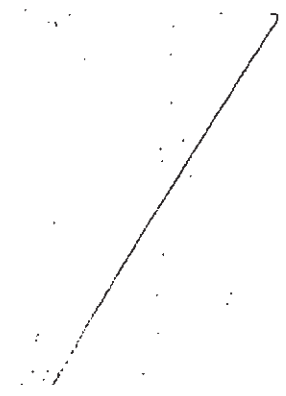
The Transferee Company is a wholly owned subsidiary of the Transferor Company. The Scheme is intended to restructure the holding of the Domestic Formulation Undertaking in more efficient and focussed manner in a separate entity consistent with the diverse needs of the business and does not involve any movement of assets to any company outside the group controlled by the 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, nil consideration shall be payable by the Transferee Company.



9. ACCOUNTING BY TRANSFEROR COMPANY AND THE TRANSFEE COMPANY IN RESPECT OF TRANSFER OF DOMESTIC FORMULATION UNDERTAKING:

- (i) Accounting treatment in the books of the Transferor Company:
 - (a) The assets of the Domestic Formulation Undertaking of the Transferor Company which are being transferred to the Transferee Company shall be recorded at values appearing in the books of accounts of the Transferor Company as on the Appointed Date.
 - (b) An amount equivalent to the book value of assets of the Domestic Formulation Undertaking transferred to the Transferee Company by the Transferor Company in terms of this Scheme, shall be debited to the Statement of Profit and Loss of the Transferor Company

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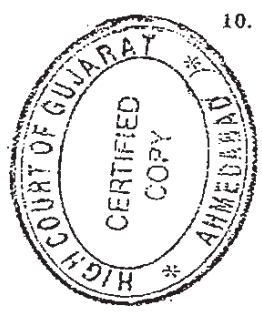
(ii) Accounting treatment in the Books of the Transferee Company:

- (a) Upon coming into effect of this Scheme and upon the arrangement becoming operative, the Transferee Company shall record the assets transferred to and vested in them pursuant to this Scheme, at the estimated fair values of the respective assets as on the Appointed Date. The decision of the Board of Directors of the Transferee Company in this regard shall be final and binding.
- (b) The sum total of assets recorded at fair values shall be credited to Capital Reserve Account in the books of the Transferee Company. The Capital Reserve shall be available for issue of bonus shares or such other application as may be permissible under the law.

10. DIVIDEND AND CHANGES IN THE CAPITAL STRUCTURE OF THE TRANSFEE COMPANY:

At any time upto the Effective Date:-

- (a) The Transferee Company shall not declare or pay dividends which are interim or final relating to any period commencing on or after the Appointed Date unless agreed to by the Board of Directors of both the Companies.
- (b) The Transferee Company, except mentioned otherwise in this Scheme, shall not issue or allot any right shares, or Bonus Shares or any other security converting into Equity or other Share Capital or obtain any other financial assistance converting into Equity or other Share Capital, unless agreed to by any whole time director of the Transferor Company.



11. INTELLECTUAL PROPERTY RIGHTS:

Upon coming into effect of this Scheme:

- 11.1 All existing trade marks, (except the trade marks "SUN", "SUN" LOGO and related trade marks) adopted and registered or used by the Transferor Company as the owner or licensee, in the Domestic Territory shall be transferred/assigned (including assignment of the right to use the trade marks as licensee) to the

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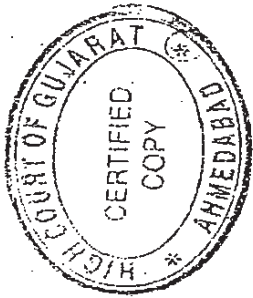
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Transferee Company, without any consideration. Upon acquiring the aforesaid trade marks, the Transferee Company shall grant to the Transferor Company a perpetual and irrevocable license to use the existing and new trade marks (adopted and registered or used as the owner or licensee, in the Domestic Territory) in the Non-Domestic Territory, without any consideration. The Transferor Company shall likewise grant to the Transferee Company a perpetual and irrevocable license to use the trade marks "SUN", "SUN" LOGO and related trade marks for use in the Domestic Territory, without any consideration, but only so long as the Transferee Company is the subsidiary of the Transferor Company.

11.2. Transferor Company's copyright in existing and new labels, brochures, pamphlets, marketing and publicity material and like artistic/literary works shall be perpetually transferred to the Transferee Company for the Domestic Territory, without any consideration. The Transferor Company's copyrights in the said works, in so far as the Non-Domestic Territory is concerned are retained by the Transferor Company.

11.3. Patents, Technical Know How, Process Know How and all other Intellectual Property Rights in respect of existing and new formulations, processes, methods, molecules, improvements etc. other than trade marks and copyrights owned by the Transferor Company, shall continue to be owned and possessed by the Transferor Company. However, the Transferor Company shall grant to the Transferee Company a perpetual and irrevocable license to use and exploit the said Patents, Technical Know How, Process Know How and all other Intellectual Property Rights in respect of existing/new formulations, processes, methods, molecules, improvements etc. in the Domestic Territory, without any consideration, but only so long as Transferee Company is subsidiary of the Transferor Company.

11.4. Notwithstanding anything contained above the Transferor Company shall be entitled to register in its name the existing/new trade marks, used or utilised in the Non-Domestic Territory, for the purpose of export/sale of goods bearing the said trade marks in the Non-Domestic Territory.



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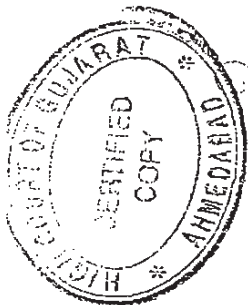
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- 11.5 In pursuance of the present scheme, the Transferor Company and the Transferee Company shall agree to execute suitable agreements, deeds, affidavits, consent letters, power of attorney, applications and other documents as they may be required for giving effect to this scheme of spin off.
- 11.6 The Transferor Company and the Transferee Company shall extend all the co-operation and give active support to each other as it may request in the ongoing or future disputes, litigations relating to and/or for enforcement of its rights in Trade Marks, Copyrights, Patents, Technical Know How, Process Know How, etc. against the third party or parties.

12. TRANSFEROR COMPANY'S EMPLOYEES:

On the Scheme taking effect as aforesaid, all officers and employees of the Transferor Company, engaged in the Domestic Formulation Undertaking's Activities 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.

It is expressly provided that as far as Provident Fund, Gratuity Fund, Pension Fund and/or Superannuation Fund or Trusts in so far as it pertains to or relates to the employees of the Domestic Formulation Undertaking of the Transferor Company or any other special funds / Scheme(s) created or existing for the benefit of the officers and employees of the Domestic Formulation Undertaking are concerned, upon the Scheme becoming officially effective, the Transferee Company to that extent shall stand substituted for the Transferor Company for all purposes whatsoever related to the administration or operation of such Scheme(s)/Fund(s) or in relation to the obligation to make contribution to the said Schemes/Funds in accordance with the provisions of such Schemes/Funds as per the terms provided in the respective Trust Deeds. It is the end intent that all the rights, duties, powers and obligations of the Domestic Formulation Undertaking of the Transferor Company in relation to such fund shall become those of the Transferee Company. It is clarified that the services of the officers



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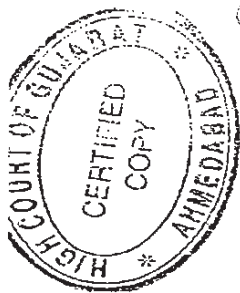
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and employees of the Domestic Formulation undertaking of the Transferor Company will be treated as having been continuous without any break or interruption for the purpose of aforesaid Schemes/Funds. It is however, clarified that the Transferee Company shall be eligible and entitled to effect the transfer of the officers and employees of the Domestic Formulation Undertaking of the Transferor Company in ordinary and usual course of business and as per business prudence, the Transferee Company shall be eligible to re-assess and to re-allocate any of the activity undertaken by the employees of the Domestic Formulation Undertaking of the Transferor Company. Upon the Scheme taking effect, the Domestic Formulation Undertaking of the Transferor Company shall stand substituted by Sun Pharma Laboratories Limited (The Transferee Company) for all purposes whatsoever in relation to the administration of or obligations, right, duties (including under the respective Deeds pertaining thereto) and liabilities under or in respect of or pertaining to the Provident Fund, Gratuity Fund, Superannuation Fund, pension scheme or any other scheme or trust or fund created or existing for the benefit of the employees or officers of the business and undertaking of Domestic Formulation Undertaking of the Transferor Company.



13. 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

14. SAVING OF CONCLUDED TRANSACTIONS:-

The transfer of assets above and the continuance of proceedings by or against Transferee Company above shall not affect any transaction or proceedings already concluded in Transferor Company, in relation to the Domestic Formulation Undertaking on or after the Appointed Date till the Effective Date, 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 respective the Domestic Formulation Undertaking in respect thereto as done and executed on their behalf.

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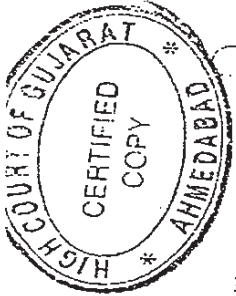
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15. TAX CREDIT/DUTIES/CESS ETC.

The Transferee Company will be successor of the Transferor Company vis-à-vis the Domestic Formulation Undertaking. The unutilized credits relating to Excise duties paid on inputs lying to the account of the Domestic Formulation Undertaking of Transferor Company as well as the unutilized credits relating to Service Tax paid on input services consumed by the Transferor Company shall be retained by the Transferor Company to be utilized while discharging its service tax liability or any Excise duty/ Service Tax payable by it, including but not limited to in connection with output service rendered by it.

If the Transferor Company is entitled to any benefits under Incentive Schemes and Policies relating to the Domestic Formulation 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 being effective, both the Transferee Company and Transferor 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



16. APPLICATION TO THE HIGH COURT:

The Transferor Company and the Transferee Company shall make all applications/petitions under Sections 391 to 394 and other applicable provisions of the Act to the Hon'ble High Court of Gujarat at Ahmadabad and Hon'ble High Court of Bombay at Mumbai, as applicable, for sanctioning of this Scheme of Arrangement for carrying this Scheme into effect and obtain all approvals as may be required under law.

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17. MODIFICATIONS, AMENDMENTS TO THE SCHEME:

The Transferor Company (by their Directors) and the Transferee Company (by their Directors) may in its full and absolute discretion assent from time to time on behalf of all persons concerned to any modifications or amendments or addition to this Scheme

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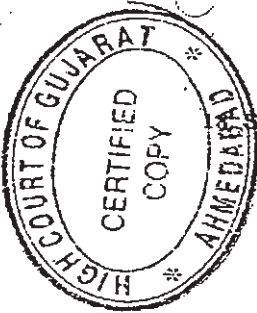
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or to any conditions or limitations which the Hon'ble High Court of Gujarat at Ahmadabad or Hon'ble High Court of Bombay at Mumbai or any authorities under the Law may deem fit to approve of or impose and / or to resolve any doubt or difficulties that may arise for carrying out this Scheme and to do and execute all such acts, deeds, matters and things as may be necessary, desirable or proper for carrying the Scheme into effect.

For the purpose of giving effect of this Scheme 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 in future to settle any of the difficulties or to implement the provisions of this Scheme smoothly and hassle free manner, if such need arises and for all purposes the Effective Date for such subsequent modified scheme shall be the same as specified in this Scheme.



SEVERABILITY

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

19. SCHEME CONDITIONAL UPON APPROVALS/SANCTIONS:

This Scheme is specifically conditional upon and subject to:

- (a) The approval of and agreement to the Scheme by the requisite majorities of such classes of persons of the Transferor Company and the Transferee Company as may be directed by the Hon'ble High Court of Gujarat at Ahmadabad and Hon'ble High Court of Bombay at Mumbai on the applications made for directions under Section 391 of the said Act for calling meetings or otherwise and necessary resolutions being passed / consents obtained under the Act for the purpose.

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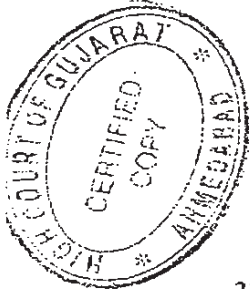
- (b) The sanctions of the Hon'ble High Court of Gujarat at Ahmadabad and Hon'ble High Court of Bombay at Mumbai being obtained under Sections 391 to 394 and other applicable provisions of the Act, if so required on behalf of the Transferor Company and the Transferee Company.
- (c) The certified copies of the High Court orders referred to in this Scheme being filed with the Registrar of Companies, Gujarat and Maharashtra, as applicable.

20. EFFECTIVE DATE OF THE SCHEME:

This Scheme 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 sections 391 and 394 of the Act are duly filed with the Registrar of Companies, Gujarat and Maharashtra as applicable, and such date shall be referred to as Effective Date for the purpose of the Scheme.

However the Effective Date shall not be affected by any of the modifications that might be required to be made as provided under clause 16 and the Effective Date for such modified scheme shall be the same as mentioned in the above paragraphs.



21. 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. 18 above not being obtained and/or the Scheme not being sanctioned by the Hon'ble High Courts and/or the Order(s) not being passed as aforesaid before 31st December, 2013 or within such further period(s) as may be agreed upon from time to time by the Transferor Company (by its Directors) and the Transferee company (by 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

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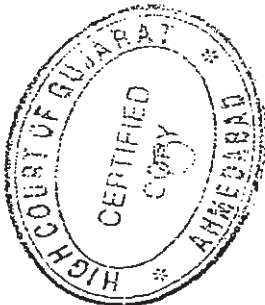
aforesaid period from time to time without any limitations in exercise of their power through and by its delegates, this Scheme shall stand revoked, cancelled and be of no effect save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, obligation 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 and or otherwise arise as per Law.

22. EXPENSES CONNECTED WITH THE SCHEME:

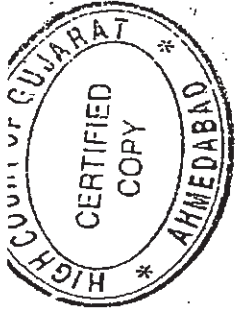
All costs, charges and expenses, including any taxes and duties of the Transferor Company and the Transferee Company respectively in relation to or in connection with or incidental to this Scheme and of carrying out and completing the terms of this Scheme shall be borne and paid by the Transferor Company.

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Dated this 3rd day of May 2013.

Witness Bhaskar Bhattacharya Esquire,
The Chief Justice at Ahmedabad

aforesaid this Third Day of May Two Thousand Thirteen.

*Checked & found correct
& signed each & every pages.*

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24/5/13
C.A. (M. P.) (G. S. Mangalji)

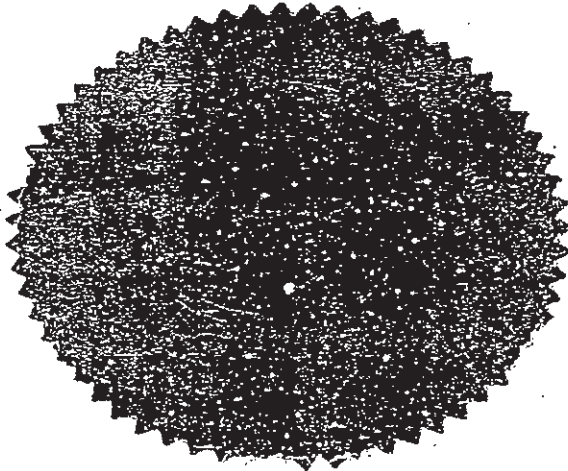
By the order of the Hon'ble Court

[Signature]
Registrar (Judicial)

This 24th day of May 2013

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24/5/2013
Sealer

This 24th day of May 2013



Order drawn by:

Swati Sapordekar (S.)
(Swati Saurabh Soparkar)
Advocate

22/57 ^{10th} Day of May 2013

301, Shivalik-10, Opp. SBI Zonal Office,
Near Old Excise Chowky, S.M. Road,
Ambavadi, Ahmedabad 380 015.

TRUE COPY
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ASSISTANT REGISTRAR
THIS 22-5-13 DAY OF

**SCHEME OF ARRANGEMENT
IN THE NATURE OF DEMERGER OF
SPECIFIED UNDERTAKING OF
SUN PHARMA GLOBAL FZE
WITH
SUN PHARMACEUTICAL INDUSTRIES LTD**

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PAGES : 9

CHARGE : 35

O/30822/2014

Read By :

Prepared By : MS BHUMIKA M VAGHELA

Applied on : 08/08/2014

Examined By

Prepared on : 14/08/2014

Notified on : 14/8/14

Delivered on : 14/8/14

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Dy.S.O.

Section Officer

Decree Department

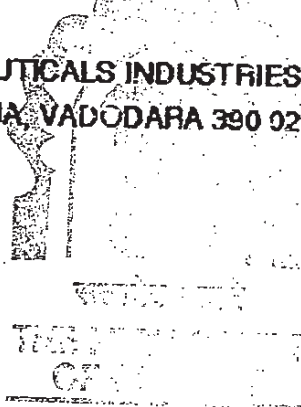
Decree Department

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

COMPANY PETITION 117 of 2014

In COMPANY APPLICATION 88 of 2014

1 SUN PHARMACEUTICALS INDUSTRIES LIMITED
SPARC, TANDALJA, VADODARA 390 020.



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VERSUS

Petitioner(s)

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Comp
Being - No. 117 of 2014

Respondent(s)

Appearance on Record:

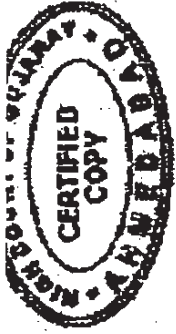
MRS SWATI SOPARKAR as ADVOCATE for the Petitioner(s) No. 1

MR M.IQBAL A SHAIKH as ADVOCATE for the Respondent(s) No. 1

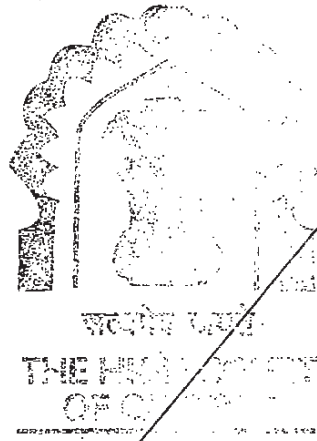
COURT'S ORDER :

CORAM :

HONOURABLE MR.JUSTICE S.R.BRAHMBHATT
Date of Decision: 10/07/2014
(COPY OF JUDGEMENT ATTACHED HEREWITH)



NATIONAL INFORMATICS CENTRE



IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

COMPANY PETITION NO. 117 of 2014

In

COMPANY APPLICATION NO. 88 of 2014



SUN PHARMACEUTICALS INDUSTRIES LIMITED....Petitioner
Versus
.....Respondent

Appearance:

MRS SWATI SOPARKAR, ADVOCATE for the Petitioner

MR M.IQBAL A SHAIKH, ADVOCATE for the Respondent

CORAM: HONOURABLE MR. JUSTICE S.R. BRAHMBHATT

Date : 10/07/2014

ORAL ORDER

1. This is a petition filed by the petitioner Transferee Company for sanction of a Scheme of Arrangement and Reconstruction in the nature of Demerger and Transfer of Specified Undertaking of Sun Pharma Global FZE, the De-merged Company to Sun Pharmaceutical Industries Limited under Section 391 to 394 of the Companies Act, 1956. It has been contended that the Transferor Company is based at Sharjah, United Arab Emirates.

2. It has been pointed out that the de-merged company is an indirect wholly owned subsidiary of the Transferee Company. Both the companies are engaged in similar commercial activities viz. manufacturing, marketing and exporting pharmaceutical products. The de-merger of Specified Undertaking of the De-merged

company is proposed to consolidate and integrate its operations with the activities of the Transferee Company as a part of group restructuring and achieve synergic benefits. It would lead to rapid and aggressive expansion of the business. The petition gives in details the benefits envisaged due to the scheme.

3. It has been pointed out that vide the order dated 1st April 2014 passed in the Company's Application no.88 of 2014, the meetings of the creditors were dispensed with; accepting the contention that considering the substantial positive net worth of the Transferee Company as well as the positive net worth of the Specified Undertaking being de-merged; the rights and interests of the creditors of the Petitioner Transferee Company are not affected. However, the petitioner company undertook to place on record the consent letters of its Secured Creditors, it being the contractual requirement. The same are already placed on record alongwith the Additional Affidavit dated 8th July 2014. Vide aforesaid order dated 1st April 2014, the meeting of the Equity Shareholders of the petitioner company was directed to be convened. However, the petitioner had already submitted a certificate from an independent Chartered Accountant alongwith the Undertaking by the Company confirming the non applicability of clause 5.16 of the SEBI circulars dated 4th February 2013 and 21st May 2013. Taking this into account, no directions were issued with regard to the approval of



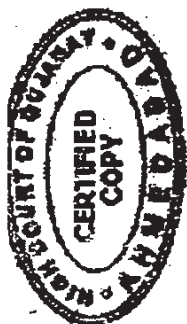
NATIONAL INFORMATICS CENTRE

the scheme by Public shareholders through Postal ballot and e-voting.

4. Pursuant to the directions, issued with regard to the conduct of the meeting, after the due notices to all the Equity Shareholders as well as the public notice, the said meeting was duly convened on 5th May 2014. At the said meeting, the scheme was duly approved unanimously by the Equity Shareholders present and voting. The Chairman's report alongwith affidavit dated 6th May 2014 has been placed on record which confirms the result of the said meeting.

5. The substantive petition was then filed and admitted vide order dated 9th May 2014. The public notices for the same were duly advertised in the newspapers Indian Express, English daily and Divya Bhaskar, Gujarati daily, both Vadodara editions dated 19th May 2014. The publication in the Government gazette was dispensed with. Affidavit dated 10th June 2014 confirms the same. No one has come forward with any objections to the said petition even after the publication and the same has been further confirmed by the additional affidavit dated 8th July 2014.

6. Notice of the petition has been served upon the Central Govt. and Shri M.I.A. Shaikh, Standing Counsel appear for the Central Govt. An affidavit dated 4th July 2014 has been filed by Mr. Shambhu Kumar Agarwal, the Regional Director, North-Western Region, Ministry of Corporate Affairs, whereby some



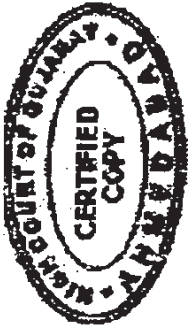
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observations are made.

7. The attention of this Court is drawn to the Additional Affidavit dated 8th July 2014, filed by Mr. Ashok Bhuta on behalf of the petitioner company. The said Additional Affidavit provides requisite explanations for the observations made by the Regional Director. The same pertain to – (a) the applicability of SEBI circulars dated 4th February and 21st May 2013 and approval of Scheme by SEBI, (b) the Appointed Date, (c) previous enquiry initiated by Registrar of Companies.

8. The attention of this court is drawn to the Additional Affidavit dated 8th July 2014, filed by Mr. Ashok Bhuta, the Deputy General Manager (Legal and Secretarial) the petitioner Transferee Company, whereby all the above issues have been dealt with. I have further heard submissions made by the learned counsel appearing for the Central Government and Mrs. Swati Soparkar, learned advocate appearing for the petitioner as follows:

(1) It has been submitted that the petitioner company being a listed public limited company, the SEBI circulars are applicable for Scheme proceedings. However, the company is entitled to exemption with regard to obtaining the approval from the public shareholders through postal ballot and e-voting in view of the certificate from the Chartered Accountant and undertaking of the company submitted to SEBI in

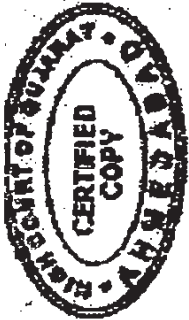


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conformity with clause 5.16 of the SEBI circular dated 21st May 2013. Further, it has been submitted that approval to the Scheme from SEBI has been obtained which is required to be routed through the stock exchange. A copy of the said approval is placed on record vide additional affidavit dated 8th July 2014.

(ii) With regard to the 'Appointed Date' it has been pointed out that there is no legal bar on the choice of the Appointed Date. It is the prerogative of the Board of Directors of the petitioner company to select the Appointed Date for the Scheme. The same is required to be approved by the shareholders of the petitioner company. Both these requisites have been complied with in the present proceedings. The Scheme has been duly considered by concerned Stock Exchanges viz. Bombay Stock Exchange Limited and National Stock Exchange of India Limited as well as by Securities and Exchange Board of India. The said stock exchanges have not found the Appointed Date as objectionable. Further, the Scheme becoming effective from the Appointed Date of 1st May 2013 will not be prejudicial to the interest of its creditors, members and, general public.

(iii) It has been submitted that the Petitioner Company has always cooperated with ROC as well as Income Tax department for all enquiries and procedures and undertakes to do the same in future.



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In view of the above explanations, it has been submitted that no further directions are necessary to be issued to the petitioner.

The counsel has reiterated the submission qua Company's continuous cooperation qua the enquiries or quarries raised under Sections 211 and 234 of the Companies Act.

9. Heard Smt. Swati Saurabh Soparkar, learned counsel for the petitioner company and the counsel appearing for the Central Government. Having gone through the petition, and having considered the submissions made in this regard and being satisfied with the clarifications and explanations provided with regard to the observations of the Regional Director and being satisfied that arrangement under the proposed scheme would be in the interest of the companies and their members and creditors; the Scheme is hereby sanctioned. Prayers in terms of paragraph no.32(a) of the Company Petition No.117 of 2014 are hereby granted.

This permission would not absolve any of the concerned in the companies of his or her liabilities or responsibility in any manner only on account of passing of the order, nor it be in any manner derogatory to or contrary to the provisions of the Act.

10. The petition is disposed of accordingly. So far as the cost to be paid to the Central Government Standing Counsel is concerned, the same is quantified



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Rs.10,000/- . The same may be paid to the counsel appearing for the Central Government.

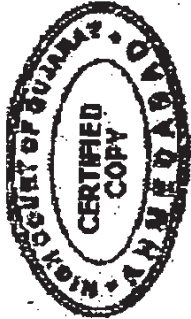
11. The petitioner Company is directed to file a copy of this order alongwith a copy of the authenticated copy of the scheme with the concerned Registrar of Companies, electronically, alongwith E-Form 21 in addition to physical copy as per relevant provisions of the Act.

12. Filing and issuance of drawn up order is hereby dispensed with.

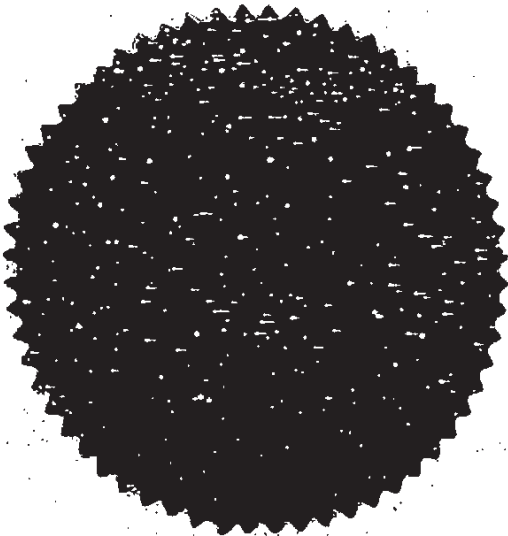
13. All concerned authorities to act on a copy of this order alongwith the scheme duly authenticated by the Registrar, High Court of Gujarat. The Registrar, High Court of Gujarat shall issue the authenticated copy of this order alongwith Scheme as expeditiously as possible.

Pankaj

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(S.R. BRAHMBHATT, J.)



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Achlesh Nani
DEPUTY / ASSISTANT REGISTRAR
THIS DAY OF

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Page 7 of 7

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No. 25
Charges
Total Rs. 96000

Retain
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Authentic copy of the original

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Dy. S. O.

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
ORIGINAL JURISDICTION

COMPANY PETITION NO. 117 OF 2014

CONNECTED WITH

COMPANY APPLICATION NO. 88 OF 2014

Section Officers
Deemed Department
Dt. 14/8/14

In the matter of Scheme of Arrangement under
Sections 391 to 394 of the Companies Act, 1956;

And

In the matter of
Sun Pharmaceutical Industries Limited.

A company incorporated under the Companies Act,
1956 and having its registered office at SPARC,
Tandalja, Vadodara- 390 020, in the State of
Gujarat.

And

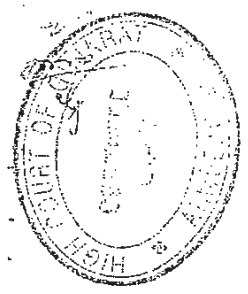
Scheme of Arrangement and Reconstruction in the
nature of Demerger and Transfer of Specified
Undertaking of Sun Pharma Global FZE to Sun
Pharmaceutical Industries Limited.

Sun Pharmaceutical Industries Limited.

A company incorporated under the Companies Act,
1956 and having its registered office at SPARC,

Tandalja, Vadodara- 390 020, in the State of

Gujarat.....Petitioner Company



- 2 -

**SCHEME OF ARRANGEMENT AND RECONSTRUCTION
BETWEEN**

SUN PHARMA GLOBAL FZE- TRANSFEROR COMPANY

AND

SUN PHARMACEUTICAL INDUSTRIES LIMITED- TRANSFEREE COMPANY

AND THEIR RESPECTIVE MEMBERS AND CREDITORS

UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956

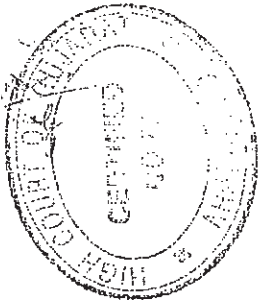
This Scheme of Arrangement provides for the demerger of the Specified Undertaking (as defined hereinafter) of Sun Pharma Global FZE., a foreign Limited Liability Company incorporated and licensed under Sharjah Airport International Free Zone ("SAIF") pursuant to Emiri Decree No. 2 of 1995. (hereinafter referred to as the "Transferor Company") as a going concern into Sun Pharmaceutical Industries Ltd., an Indian Company incorporated under the Companies Act, 1956 incorporated pursuant to certificate of incorporation dated 1st March, 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 Sections 391 to 394 and other relevant provisions of the Companies Act, 1956 for the Transferee Company and provisions of SAIF Zone of United Arab Emirates as may be applicable to Sun Pharma Global FZE.

I. PREAMBLE

A. Description of Companies:

(a) The Transferor Company

- a. is an unlisted company licensed under the SAIF- free trade zone of UAE and engaged in the business of manufacturing, general trading and exporting pharmaceutical formulations including investment, financing and other related activities. The products of the Transferor Company are sold in USA and various regulated markets of the world.
- b. has, as part of its pharmaceutical business an undertaking catering to the ulcer therapeutic activities and other allied / related / incidental business.
- c. Is also carrying on activities of investment in shares and securities.



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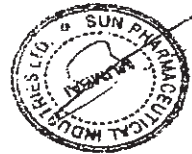
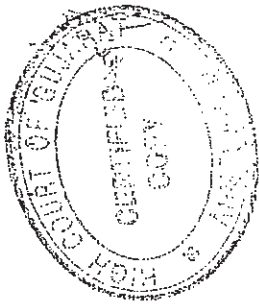
- (b) The Transferee Company was incorporated on 1st March, 1993 as a public limited company under Part IX of the Companies Act, 1956. The Transferee Company's main objects clause include development, manufacture, sale, trading, and export of various generic drug formulations, manufacture of drugs and pharmaceutical products and also carries out related investment and financing activities. It is currently listed on the BSE Limited and National Stock Exchange of India Limited.

B. Rationale for the Scheme of Arrangement:

- (a) The Transferor Company's business of Specified Undertaking and the Remaining Undertaking(both as defined hereunder) are continuously growing both horizontally and vertically. The Company needs to give focused and strategic attention to various parts/aspects of both the undertakings for maintaining this growth momentum as the same is an opportunity as well as a challenge.

The Specified Undertaking (as defined hereinafter) of the Transferor Company had shown good growth. In order to strengthen and sustain 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. Similarly, the Remaining Undertaking(as defined hereinafter) of the Transferor Company has different profile requiring different kind of focus and attention to meet the ever expanding market / geography and growth opportunities, varied regulatory requirements, risks, litigation etc.

The Transferor Company intends to reorganise the Specified Undertaking to consolidate and integrate its' operations with the activities of the Transferee Company as a part of group restructuring and hence it is proposed to demerge its Specified Undertaking to the Transferee Company by way of demerger under this Scheme (as defined herein).

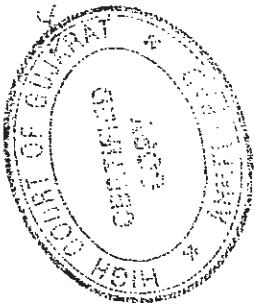


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- (b) The Transferee Company is also engaged in export of pharmaceutical formulations to various regulated markets including USA. Hence such reorganisation will help to further strengthen and consolidate its operations for the regulated markets.
 - (c) As the activities of Specified Undertaking and that of the Transferee Company are similar in nature, it would, therefore, be advantageous to combine the activities and operations into a single company for synergistic linkages and the benefit of financial and other resources of each other.
 - (d) The proposed demerger of the Specified Undertaking of the Transferor Company is likely / expected to allow a focused strategy in operations of both the Companies along with faster decision making, which would be in the best interests of the Transferor Company and its shareholders and other stakeholders.
 - (e) Arrangement and reconstruction 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.
 - (f) The Transferee Company will have the benefit of the combined resources of Specified Undertaking of the Transferor Company and Transferee Company i.e. reserves, investments, and other assets, finances, customers, distributors, brands etc. The Transferee Company would be in a position to consolidate operations through optimum utilization of its resources and avoidance of duplication.
 - (g) 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



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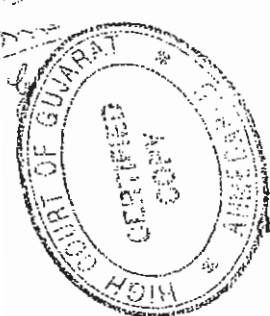
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- (h) The Transferee Company would also have a larger network base, and greater borrowing capacity, which would provide it a competitive edge over others, especially in view of the increasing competition due to liberalization and globalization, which will be beneficial in more than one ways to the Transferee Company, its shareholders and other stakeholders.
 - (i) 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 objectives, it is proposed to demerge the Specified Undertaking of the Transferor Company to the Transferee Company.

C. Operation of the Scheme:

- (a) It is, therefore, proposed that Specified Undertaking of Sun Pharma Global FZE (as defined here under) be demerged, pursuant to the provisions of UAE Commercial Companies Law, and/or any other applicable laws and a Scheme of Arrangement and Reconstruction under Sections 391 to 394 of the Companies Act, 1956 and transferred to the Transferee Company for achieving the above mentioned objectives. The Transferor Company will continue its interests in the Remaining Undertaking as is presently being carried out but with greater focus, attention to the growth opportunities, and the regulatory requirements, risks, etc. specific to its business.



- (b) With the aforesaid objectives and to give effect to the terms of this Scheme of Arrangement and Reconstruction, the Transferor Company and Transferee Company have segregated the activities and operations of the Transferor Company between the Transferor and Transferee Company for synergistic linkages, focused attention



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besides the benefit of financial resources to them.

(c) In furtherance of the aforesaid, this Scheme of Arrangement and Reconstruction provides for:

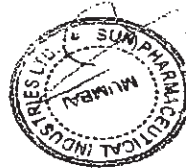
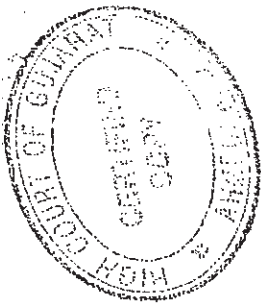
- i. the demerger of the Specified Undertaking from the Transferor Company to the Transferee Company;
- ii. various other matters consequential or otherwise integrally connected herewith, including the reorganization of the capital and/or reserves of the Transferor Company and the Transferee Company.

(d) The demerger of the Specified Undertaking under this Scheme of Arrangement and Reconstruction will be effected under the provisions of Sections 391 to 394 of the Companies Act, 1956 and relevant and applicable laws of UAE.

(e) The demerger complies with the provisions of the Indian Income Tax Act, 1961, such that:

- (i) All the properties of the Specified Undertaking (as defined hereinafter) being transferred by the Transferor Company immediately before the demerger become the properties of the Transferee Company by virtue of the demerger;
- (ii) All the liabilities relating to the Specified Undertaking being transferred by the Transferor Company, immediately before the demerger become the liabilities of the Transferee Company by virtue of the demerger;
- (iii) The properties and the liabilities, of the Specified Undertaking being transferred by the Transferor Company are transferred to the Transferee Company at the values appearing in the books of account of the aforesaid Transferor Company immediately before the demerger; and
- (iv) The transfer of the Specified Undertaking will be on a going concern basis.

(f) The demerger of the Specified Undertaking under this Scheme of



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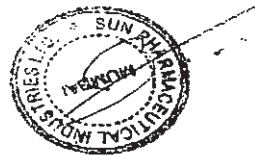
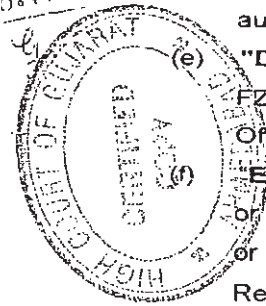
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Arrangement and Reconstruction will be effected as a Scheme and / or as a contract under the provisions of UAE and other applicable laws and under section 391 to 394 of the Companies Act, 1956.

1. DEFINITIONS:

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

- (a) **"Act"** means the Companies Act, 1956 as may be applicable, including any statutory modifications, re-enactments or amendments thereof and shall include the relevant and corresponding sections under Companies Act, 2013, as and when the same are made applicable before the effective date of the Scheme.
- (b) **"Appointed Date"** means 1st May, 2013 or such other date as may be approved by the High Court of Gujarat at Ahmedabad and any regulatory authority or other Governmental Authority, if applicable, at UAE.
- (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) **"Court"** or **"High Court"**, means Hon'ble High Court of Gujarat at Ahmedabad, as applicable, and shall include the National Company Law Tribunal, if applicable in case of Transferee Company and any other Court or authorities involved for the Transferor Company such as court, governmental or regulatory authorities at United Arab Emirates(UAE).
- (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. 18 of this Scheme has been obtained and / or filed by the Transferor Company and the Transferee Company with the Registrar of Companies and other Governmental Authorities.
- (g) **"Governmental Authority"** means any applicable Central, State or local Government, statutory, regulatory, departmental or public body or authority of



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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 in each case.

- (h) **"Intellectual Property Rights"** means patents, trademarks, service marks, registered designs, data base rights, trade or business names, know-how, drug licenses (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 Undertaking's Activities.
- (i) **"Products"** means the formulations developed by using the active pharmaceutical ingredients of which the ANDA to market the formulation is owned by the Transferor Company which are identified as belonging to the Specified Undertaking.
- (j) **"Remaining Undertaking"** means all the businesses and activities of the Transferor Company other than the Specified Undertaking.
- (k) **"Scheme"** means this Scheme of Arrangement and Reconstruction in its present form including any modifications or amendments thereto, approved or imposed or directed by the Hon'ble High Court of Gujarat at Ahmedabad or any other Governmental Authority and High Court and with all the Schedules appended thereto.

"Specified Undertaking's Activities" means:

all activities of the Transferor Company relating to the business of developing, researching, manufacturing, processing, buying, selling, importing, trading, marketing, storing, distribution of pharmaceutical products for ulcer therapeutics and items related thereto such as packing materials, packaging materials, raw materials, finished goods, inventory, stores, spares, etc. along with certain investment and financing activities.

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(m) "Specified Undertaking" shall mean and include on commencement of 1st May, 2013:

- I) All the assets, movable, immovable, tangible and intangible of the Specified Undertaking's Activities of the Transferor Company (hereinafter referred to as 'the said Assets');
- II) All secured and unsecured debts, liabilities (including contingent liabilities), 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 for the Specified Undertaking of the Transferor Company, along with any charge, encumbrance, lien or security thereon, of the Transferor Company as on the Appointed Date(hereinafter referred to as 'the said Liabilities');
- III) Without prejudice to the generality of sub-clause (I) and (II) mentioned above, the Specified Undertaking of the Transferor Company shall include all business and/or operations specific to the Specified Undertaking's Activities comprising of assets including investments, loans and advances, 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 and other interests including rights and benefits under various schemes of different taxation and other laws as may belong to or be available to or be used by the Specified Undertaking or the Specified Undertaking's Activities of the Transferor Company, rights and powers of every kind, nature and description of whatsoever probabilities, liberties, easements, tenancies, 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, availing any facilities of the Transferor Company for the Specified Undertaking's Activities



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on mutually acceptable terms, enterprise resource planning software, accounting and other software, software licenses, permissions and connections, drawings, formulae, artwork secret processes, notings, website/web page and any other Intellectual Property Rights of any nature whatsoever, authorizations, permits, all records, files, papers, computer programs, books of accounts, corporate records, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and other records in connection with or in relation to the Specified Undertaking' Activities 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 Undertaking's Activities;

(n) "Transferee Company" means Sun Pharmaceutical Industries Limited, a public limited company incorporated under the Companies Act, 1956 having its Registered Office at Sun Pharma Advanced Research Centre, Tandalja, Vadodara, Gujarat-390020, India.

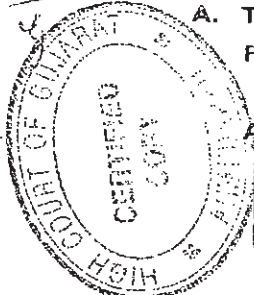
All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Companies Act, 1956, and other applicable laws, rules, regulations, bye-laws as the case may be or any statutory modifications or re-enactment 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, 2013 is as under:

Authorised Share Capital: (Amount)

101 Equity Shares of AED 150,000 each	AED 15,150,000	USD 4,124,694
Total	AED 15,150,000	USD 4,124,694



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Issued, Subscribed and Paid up Share Capital:

(Amount)

101 Equity Shares of AED 150,000 each	AED 15,150,000	USD 4,124,694
Total	AED 15,150,000	USD 4,124,694

Presently Sun Pharma Global Inc., the 100% subsidiary of the Transferee Company holds 100% of the Issued, Subscribed and Paid up Equity Share Capital of the Transferor Company and hence the Transferor Company is an indirect Wholly Owned Subsidiary of the Transferee Company.

There is no change in the Share Capital of the Transferor Company as on the date of this Scheme.

B. The Share Capital of the Transferee Company as per the Audited Balance Sheet as on March 31, 2013 is as under:

Authorised Share Capital:

(Amount in Rs.)

1,500,000,000 Equity Shares of Re. 1/- each	Rs. 1,500,000,000
Total	Rs. 1,500,000,000

Issued, Subscribed and Paid-up Share Capital:

(Amount in Rs.)

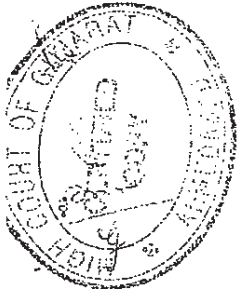
1,035,581,955 Equity Shares of Re. 1/- each	Rs. 1,035,581,955
Total	Rs. 1,035,581,955

In terms of the resolution passed by shareholders by way of Postal Ballot on July 15, 2013, the Company has allotted 1,035,581,955 bonus equity shares on August 3, 2013 in the ratio of 1 equity share of Re. 1/- each fully paid up for every equity share of Re. 1/- each held. Pursuant to such issue of bonus shares the present position of Share Capital of the Transferee Company is as follows:

Authorised Share Capital:

(Amount in Rs.)

3,000,000,000 Equity Shares of Re. 1/- each	Rs. 3,000,000,000
Total	Rs. 3,000,000,000



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Issued, Subscribed and Paid-up Share Capital:

(Amount in Rs.)

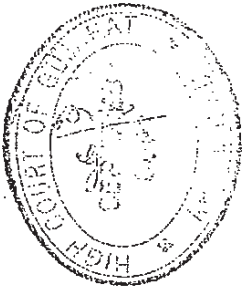
2,071,163,910 Equity Shares of Re. 1/- each	Rs. 2,071,163,910
Total	Rs. 2,071,163,910

The Transferee Company presently holds 100% of the Issued, Subscribed and Paid Up Equity capital of Sun Pharma Global Inc., the 100% holding company of the Transferor Company and hence the Transferor Company is an indirect Wholly Owned Subsidiary of the Transferee Company. Consequently, upon the Scheme of Arrangement and Reconstruction becoming finally effective, the Transferee Company will not be required to issue Equity Shares in terms of this Scheme to the shareholders of the Transferor Company.

3. DEMERGER AND VESTING/TRANSFER OF SPECIFIED UNDERTAKING:

(a) On and with effect from the Appointed Date and subject to the provisions of this Scheme and pursuant to the provisions of Section 394 of the Companies Act, 1956 and other applicable provisions of the 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 as a going concern so as to become as and from the Appointed Date, the estate, rights, authorizations, titles and interests and authorities including accretions and appurtenances thereto such as dividends, or other benefits receivable, that of the Transferee Company .

(b) With effect from the Appointed Date, and subject to the provisions of this Scheme, all the Liabilities (including the contingent 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 Section 394 of the Companies Act, 1956 and other applicable 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



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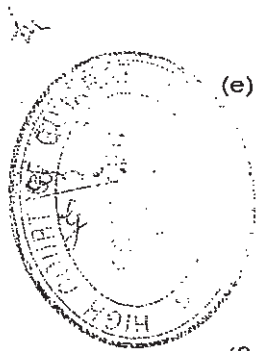


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arrangements by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Clause.

- (c) With effect from the Appointed Date, and subject to the provisions of this Scheme, all the Assets (both the tangible and the intangible 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 of the Transferee Company, pursuant to the provisions of Section 394 of the Companies Act, 1956 and other applicable provisions of the Act and Applicable Laws so as to become as and from the Appointed Date, the assets of the Transferee Company.
- (d) With effect from the Appointed date, all taxes paid, taxes refund due 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 Section 394 of the Companies Act, 1956 and other applicable provisions of 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, (whether as per Books or as per Income Tax) 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 shali, without any further act, instrument or deed of the Transferee Company, pursuant to the provisions of Section 394 of the Companies Act, 1956 and other applicable provisions of the Act and the Applicable Laws, become as and from the Appointed Date, the employees of the Transferee Company and further that it shall not be necessary to obtain consent of any person, in order to give effect to the provisions of this Clause.
- (f) Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Specified Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such

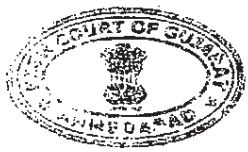
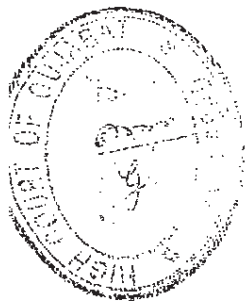


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deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. 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.

(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, 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 there under, 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



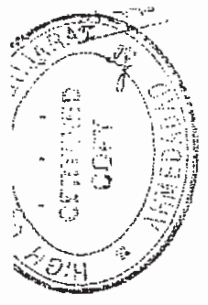
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Company owns or to which the Transferor Company is a party and which cannot be transferred to the Transferee Company for any reason whatsoever, the Transferor Company shall hold such assets etc. in trust for the benefit of the Transferee Company to which the Specified Undertaking is being transferred in terms of this Scheme, 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 Undertaking's Activities 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 Undertaking's Activities as on the Appointed Date including those developed by the Transferor Company in relation to the Specified Undertaking's Activities for the period from the Appointed Date and upto the Effective Date, shall stand transferred by the Court Orders 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 favour.
- (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, 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 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

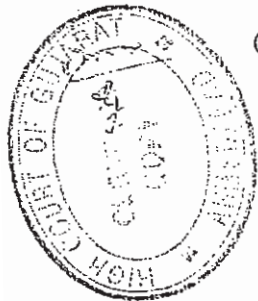
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Transferor Company as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company, and shall become the property of the Transferee Company in pursuance of the provisions of Section 394 and other applicable provisions of the said 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, 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 High Court of Gujarat, Ahmedabad, India having sanctioned the Scheme, 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 and such said assets shall be automatically available to the Secured Creditors of the Transferee Company as extended security upon approval of the Scheme.
- (p) Without prejudice to the provisions of the foregoing clauses and upon the effectiveness of this Scheme, 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, 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



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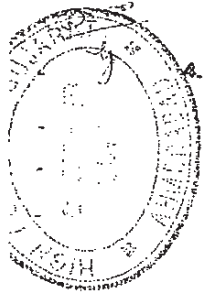
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terms of the Scheme, and the Transferor Company alone shall have all obligations in respect of such liabilities, and the Transferor Company shall indemnify the Transferee Company in relation to any claim, at any time, against the Transferee Company in respect of the liabilities which have been retained by the Transferor Company.

- (r) Upon the coming into effect of this Scheme, 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, 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 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, the provisions of the clause 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.

CONTRACTS, DEEDS AND OTHER INSTRUMENTS:

Subject to the provisions of this Scheme, 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



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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:

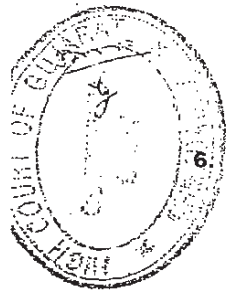
- (a) Upon coming into effect of this Scheme, all suits, claims, actions and/or proceedings by or against the Transferor Company, pertaining to the Specified Undertaking of the Transferor Company, arising after the Appointed Date but before the Effective Date shall be continued and be enforced by or 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 and the Transferor Company and the Transferee Company shall co-operate with each other in respect of any such legal and other proceedings.
- (c) Upon coming into effect of this Scheme, all suits, claims, actions and/or proceedings by or against the Specified Undertaking of the Transferor Company pending on or pertaining to the period prior to 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.

6. OPERATIVE DATE OF THE SCHEME:

This Scheme though effective from the Appointed Date shall be operative from the Effective Date.

7. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY AND TRANSFEREE COMPANY TILL EFFECTIVE DATE:

With effect from the Appointed Date, and upto the Effective Date:



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- (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. 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.
- (d) 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.
- (e) 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 in all aspects as may be necessary or expedient including settling any question or difficulties arising in relation to the Scheme in such manner as they deem fit to attain the objectives of this Scheme and their decision in this regard shall be final and binding.

It is hereby agreed and clarified that whenever under this Scheme, 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, 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.

3. CONSIDERATION BY THE TRANSFEE COMPANY:



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The Transferor Company is a wholly owned subsidiary of Sun Pharma Global Inc. 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 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 100% subsidiary of the Transferee Company, the Transferee Company can not issue shares to shareholder of the 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 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 consideration shall be payable by the Transferee Company under the Scheme.

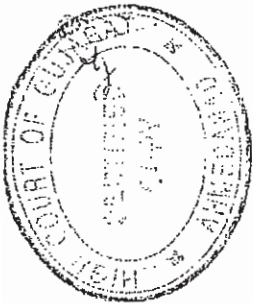
9. ACCOUNTING BY TRANSFEROR COMPANY AND THE TRANSFEE COMPANY IN RESPECT OF TRANSFER OF SPECIFIED UNDERTAKING:

(i) Accounting treatment in the books of the Transferor Company:

- (a) The assets and liabilities of the Specified Undertaking of the Transferor Company which are being transferred to the Transferee Company shall be recorded at values appearing in the books of accounts of the Transferor Company as on the Appointed Date.
- (b) An amount equivalent to the book value of net assets [i.e. Total Assets minus the Total Liabilities pertaining to the Specified Undertaking] transferred to the Transferee Company by the Transferor Company in terms of this Scheme, shall be adjusted first to the Capital Reserve account of the Transferor Company and the balance remaining if any shall be adjusted to the Retained Earnings account of the Transferor Company.

(ii) Accounting treatment in the Books of the Transferee Company:

- (a) Upon coming into effect of this Scheme and upon the arrangement



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becoming operative, the Transferee Company shall record the assets and liabilities transferred to and vested in them pursuant to this Scheme, at the book values of the respective assets and liabilities as recorded in the books of account of the Transferor Company as on the Appointed Date.

- (b). As on the Appointed Date, and subject to any corrections and adjustments as may be considered necessary, in the opinion of the Board of Directors of the Transferor Company, the assets and liabilities pertaining to Specified Undertaking of the Transferor Company will be merged with the assets and liabilities of the Transferee Company in the same form as they appeared in the financial statements of the Specified Undertaking of the Transferor Company except those which are not in compliance with the applicable accounting standards in India and the same will be merged as per the policies adopted and acceptable as per the applicable accounting standards in India.
- (c). The total of Net Assets [i.e. Total Assets minus Total Liabilities] pertaining to the Specified Undertaking recorded at book values as recorded in the books of account of the Transferor Company shall be credited to Capital Reserve Account or debited to the Goodwill account, as the case may be, in the books of the Transferee Company.

10. TRANSFEROR COMPANY'S EMPLOYEES:

On the Scheme taking effect as aforesaid, all officers and employees of the Transferor Company, engaged in the Specified Undertaking's Activities, 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 the Transferee Company.



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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.

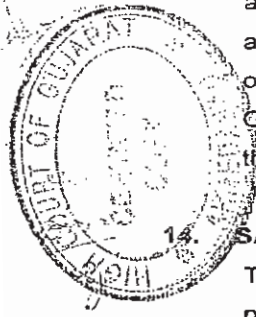
Upon this Scheme being effective, both the Transferor Company and the Transferee Company, if required, are expressly permitted to revise and file their respective income tax returns and other statutory returns, including tax deducted / collected at source returns, service tax returns, excise tax returns, 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 THE HIGH COURT AND GOVERNMENTAL AUTHORITY:

The Transferor Company shall make its application for such arrangement and reconstruction 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 Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Act and Applicable Laws to the High Court and the Governmental Authority, as applicable, for sanctioning of this Scheme for carrying this Scheme 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



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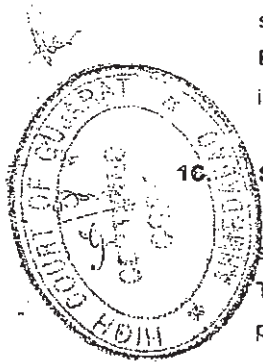
done and executed by Transferor Company, in relation to the Specified Undertaking in respect thereto as done and executed on their behalf.

15. MODIFICATIONS, AMENDMENTS TO THE SCHEME:

The Transferor Company (by its Directors) and the Transferee Company (by 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 or to any conditions or limitations which the Hon'ble High Court of Gujarat at Ahmedabad or such other Courts and Governmental Authority 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 and to do and execute all such acts, deeds, matters and things as may be necessary, desirable or proper for carrying the Scheme into effect.

For the purpose of giving effect of this Scheme 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 in future to settle any of the difficulties or to implement the provisions of this Scheme smoothly and hassle free manner, if such need arises and for all purposes the Effective Date for such subsequent modified scheme shall be the same as specified in this Scheme.



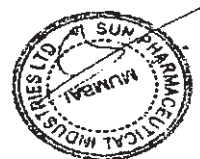
16. SEVERABILITY

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

17. SCHEME CONDITIONAL UPON APPROVALS/SANCTIONS:

This Scheme is specifically conditional upon and subject to:

- (a) The approval of and agreement to the Scheme under Securities and Exchange



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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 High Court of Gujarat at Ahmedabad or such other Governmental Authorities on the applications made for directions under Section 391 of the said 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 High Court of Gujarat at Ahmedabad being obtained under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 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.
- (c) The certified copies of the High Court orders referred to in this Scheme being filed with the Registrar of Companies, Ahmedabad, Gujarat, as applicable and Governmental Authority of UAE, if required.
- (d) The decision of the Board of Directors of the Companies with respect to approval and/or filing whether required or not with the Governmental Authorities shall be final and binding.

16. EFFECTIVE DATE OF THE SCHEME:

This Scheme 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 sections 391 and 394 of the Companies Act, 1956 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.

However the Effective Date shall not be affected by any of the modifications that might be required to be made as provided under clause 15 and the Effective Date for such modified scheme 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



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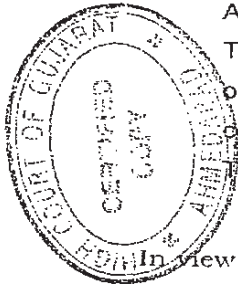
the Scheme shall take effect from the Appointed Date despite the Scheme becoming effective from Effective Date under the relevant laws.

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

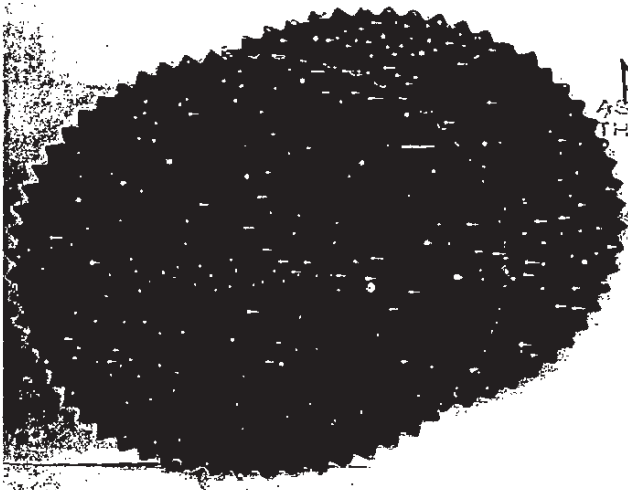
In the event of any of the said sanctions and/or approvals referred to in the preceding Clause No. 17 above not being obtained and/or the Scheme not being sanctioned by the Hon'ble High Court or any other Governmental Authorities and/or the Order(s) not being passed or sanctions not being granted as aforesaid before December 31, 2014 or within such further period(s) as may be agreed upon from time to time by the Transferor Company (by its Directors) and the Transferee company (by 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 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 and or otherwise arise as per Law.

20. EXPENSES CONNECTED WITH THE SCHEME:

All costs, charges and expenses, including any taxes and duties of the Transferor Company and the Transferee Company respectively in relation to or in connection with or incidental to this Scheme and of carrying out and completing the terms of this Scheme shall be borne and paid by the Transferee Company.



In view of para 13 of the order dated 10th July 2014, passed by the Hon'ble court (Coram: Hon'ble Mr. Justice S. R. Brahmbhatt) in Company Petition No. 117 of 2014, the Scheme is hereby authenticated.



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Mihirish Nav...
Registrar (Judicial)
1st Aug. 2014
THIS 14/8/14 DAY OF THIS day of July 2014
3479114
01/08/2014
Sealer and Deputy Registrar
This 15th Day of July 2014

AMALGAMATION
OF
RANBAXY LABORATORIES LTD
WITH
SUN PHARMACEUTICAL INDUSTRIES LTD

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD**COMPANY PETITION NO. 219 of 2014****In****COMPANY APPLICATION NO. 187 of 2014**

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SUN PHARMACEUTICALS INDUSTRIES LIMITED....Petitioner(s)

Versus

.....Respondent(s)

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Appearance:

MRS SWATI SOPARKAR, ADVOCATE for the Petitioner(s) No. 1

MR DEVANG VYAS, ADVOCATE for the Respondent(s) No. 1

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CORAM: **HONOURABLE MR.JUSTICE N.V.ANJARIA****Date : 14/11/2014****ORAL ORDER**

The present petition is filed by the petitioner-Sun Pharmaceutical Industries Limited for sanction to the Scheme of Arrangement in the nature of Amalgamation of Ranbaxy Laboratories Limited with Coromandel International Limited under Sections 391 to 394 of the Companies Act, 1956. The petitioner company is the transferee company, whereas the other company is the transferor company. It has been contended that the transferor company, having its registered office at Mohali, Punjab, has taken out the requisite proceedings at High Court of Punjab and Haryana and the Scheme is pending for final hearing.

2. Heard learned advocate Mrs. Swati Soparkar and learned Assistant Solicitor General who appeared for the Central Government upon service of notice issued at the time of admission of the petition.

3. Learned advocate for the petitioner submitted that both transferee and transferor companies are listed public limited companies, and are leading in the pharmaceutical field. They are engaged in manufacturing, marketing and exporting pharmaceutical products on a large scale. It was submitted that the petitioner-transferee company is profit making and dividend paying company. It was pointed out that the transferor company has its built-up reserves, though currently is suffering losses.

3.1 It was submitted that the amalgamation is proposed in order to consolidate and effectively manage the pharmaceutical and related business of the transferor company and the transferee company into a single entity, which will provide synergy benefits, attain efficiencies and cost competitiveness. It is envisaged that it would lead to rapid and aggressive expansion of the business. The benefits envisaged and expected from the Scheme are highlighted in the petition.

3.2 It was pointed out that the petitioner is a listed public limited company and the shares are listed at Bombay Stock Exchange Limited as well as the National Stock Exchange of India Limited. In compliance with the terms of the Listing Agreement, the petitioner approached the said stock exchanges and obtained their clearance by letters dated 10th and 11th July, 2014 respectively. They are placed on record along with letter from SEBI dated 10th July 2014. It was further pointed out that the petitioner had

submitted a certificate from a Chartered Accountant confirming the exemption from the requirement of approval through Postal Ballots and e-voting from public shareholders, as required vide SEBI circulars of 2013. The same was accompanied by an undertaking given by the petitioner company. The copies of both the documents are placed on record. In light of the same, vide order dated 16th July, 2014, the petitioner company was not directed to undertake procedure of postal ballot and e-voting for the purpose.

4. Learned advocate thereafter pointed out that the petitioner company filed Company Application No. 187 of 2014, wherein this Court passed order dated 16th July, 2014, directing to convene the meeting of the equity shareholders. The holding of the secured creditors and unsecured creditors of the petitioner company was however dispensed with considering its financial position and further having regard to the positive net worth in the pre-scheme and post scheme scenario as confirmed by the Chartered Accountants by issuing certificate. It was pointed out that though the meetings were dispensed with as above, in order to comply with the contractual terms and honour the contractual obligations with the secured creditors, the petitioner company obtained consent letters from all the secured creditors of the company. The letters are placed on record by additional affidavit dated 8th November, 2014.

4.1 Pursuant to the directions issued with regard to the conduct of the meeting, the notices were duly

served to all the equity shareholders. The public notice was also given for the said meeting. A meeting of the equity shareholders was convened on 22nd August, 2014. The Scheme was considered at the said meeting and it was approved by requisite majority of 99.86% in number and 99.99% in value by the equity shareholders present at the meeting and casting the valid votes.

5. The present substantive petition was thereafter filed placing the Scheme of Arrangement for consideration and approval of this Court. Copy of the Scheme is produced at Annexure-F.

5.1 The petition came to be admitted on 10th September, 2014. The public notices in respect of admission of the petition were duly advertised in "Indian Express"-English daily, "Divya Bhaskar"-Gujarati newspaper daily, both Vadodara editions dated 29th September, 2014. The publication in the Government Gazette was dispensed with. Learned advocate for the petitioner stated that no one has come forward to lodge any objection even after publication of the notice, which is further confirmed by additional affidavit 8th November, 2014.

5.2 Upon notice of admission of the petition being served on the Central Government, learned Assistant solicitor General appeared on behalf of the Regional Director. One Mr. Shambhu Kumar Agarwal, the Regional Director, North-Western Region, Ministry of Corporate Affairs, has responded by filing affidavit dated 30th

October, 2014. The said authority made certain observations and comments in its affidavit. In order to answer the observations in the affidavit of the Regional Director, additional affidavit dated 8th November, 2014 was filed by the petitioner company affirmed by one Ashok Bhuta, General Manager (Legal and Secretarial) of the petitioner-transferee company.

6. Proceeding to consider the observations by the Regional Director and explanation offered by the petitioner company in its aforesaid additional affidavit, the first observation in paragraph 2(c) of the Regional Director pertains to compliance of FEMA and RBI guidelines for the equity shares to be issued by the transferee company against the equity shares of the transferor company held by foreign institutions and individuals. It is stated and shown by the petitioner company that vide clause 18(a)(iv) of the Scheme, it has been provided that that "the Scheme is subject to approval from the Foreign Investment Promotion Board(FIPB) and/or the Reserve Bank of India, if required under the applicable laws, rules and regulations. It was stated also that the petitioner-transferee company has already applied for the requisite permission from the FIPB and RBI and the same are awaited. This implies that the Scheme being effective, the issue of new shares shall be in compliance with applicable provisions of FEMA and RBI guidelines. In view of the said clarification, no further directions are required to be issued and the observation of the Regional Director is taken care of.

6.1 The next observation made in paragraph-2(d) is

about the compliance with SEBI circulars of 2013, as the petitioner is a listed public limited company. The petitioner company has not disputed the same and has already demonstrated the compliance in form of the approvals from SEBI as well as concerned Stock Exchanges.

6.2 The observation in paragraph-2(e) relates to the compliance with applicable competition laws and regulations prescribed by Competition Commission of India. The petitioner company has stated that it has already approached the Competition Commission of India and shall comply with all the applicable provisions of Competition Act, 2002 and CCI (Procedure in regard to the Transaction of Business Relating to Combinations) Regulations, 2011. In clause 18(a)(ii) of the Scheme, it is provided, in view of the said clarification that the observation of the authority is satisfied and no further directions are needed to be issued.

6.3 The next observation pertains to the response received from the Income Tax Department about the proposed Scheme. The petitioner submitted that the said demands are under dispute and appropriate litigations are undergoing for the same and that they are pending at different stages. Further, the petitioner being a transferee company is not getting dissolved under the Scheme. The Scheme does not envisage any absolution from any adjudication liabilities. The petitioner company has confirmed that it shall comply with applicable provisions of Income Tax Act and rules. It is directed that the petitioner

company shall comply with and meet with Income Tax laws, the orders of courts/forum which may be passed in pending litigations.

7. Further submission was made inviting attention of the court to the aforementioned additional affidavit, wherein it is pointed out that there is a typographical error in paragraph-15.2(b) of the Scheme, where the name of the transferee company is typed as "Sky" instead of "Sun". It was clarified that this error of mentioning the wrong name/word has occurred only in the copy of the Scheme submitted and filed before this court, but the said error does not exist in the Scheme actually. The printed copy of the Scheme circulated amongst the equity shareholders along with the notice was a corrected copy in which the error was rectified and the copy which was before the shareholders while sanctioning the Scheme by them, mentioned the name duly. It was submitted that the inadvertent error which is in the copy produced may be permitted to be rectified. The error being inadvertent and innocuous, the same is permitted to be rectified and the word "Sun" in paragraph-15.2(b) in the copy of the Scheme produced here shall be replaced for wrongly mentioned word "Sky".

8. The petitioner further submitted that the petitioner-transferee company and the transferor company are involved in manufacturing pharmaceutical products and the scale of operations of manufacturing and marketing is very large for both of them. In order to ensure continuous running of operations and to

avoid any disruption of business and ensure the smooth implementation of the proposed Scheme of amalgamation, it is necessary that the petitioner- transferee company is permitted to use the existing manufacturing facilities, all relevant licenses, all existing inventories of material and products at every stage(including packing materials) etc. having the name of the transferor company, till time such licences, permits. etc are issued afresh, transferred or renewed by the respective authorities in the name of the transferee company. Considering that the clarification on the above lines would not cause any prejudice to the interest of either the transferor or the transferee company and further that such clarification is found necessary in the interest of justice, it is observed and clarified that the petitioner-transferee company is permitted to use the existing manufacturing facilities, all the relevant licenses, all existing inventories of materials and products at every stage(including packing materials etc. having the name of the transferor company, all the time such licences, permits etc. are issued afresh, transferred or renewed by the respective authorities in the name of the transferee company. It was stated that the fresh licences, permits etc. would be when issued, would be effective from the effective date of the Scheme.

9. In view of above, all the observations and comments by the Regional Director made in respect of the Scheme

in question have been explained and/or met with and/or do not sustain. From the material on record and perusal of the Scheme, the Scheme appears to be fair and reasonable and is not in violation of any provisions of law and is not contrary to public policy. None of the parties concerned have come forward to oppose the Scheme except as mentioned above. All requisite statutory compliances are fulfilled.

10. This court is accordingly satisfied that the Scheme of Arrangement in the nature of Amalgamation amongst the petitioner-transferee company and the transferor company deserve to be granted. Accordingly, prayer in paragraph-32(a) in the Company Petition is hereby granted.

11. It is ordered that as required under Section 396-A of the Companies Act, 1956, the transferor company shall not dispose of or destroy its books of accounts and other connected papers without the prior consent of the Central Government and shall preserve the same.

12. The petitioner company shall pay towards professional charges to learned Additional Solicitor General Rs.7,500/- in respect of the petition.

13. The petitioner company is further directed to lodge a copy of this order, the schedules of immovable assets of the transferor company as on the date of this order and the Scheme duly authenticated by the Registrar, High Court of Gujarat, with the concerned Superintendent of Stamps, for the purpose of adjudication

of stamp duty, if any, on the same within 60 days from the date of the order.

13.1 The petitioner company is directed to file a copy of this order alongwith a copy of the Scheme with the concerned Registrar of Companies, electronically, along with Employee-Form 21 in addition to physical copy as per relevant provisions of the Act.

13.2 Filing and issuance of drawn up order is hereby dispensed with. All the authorities to act on a copy of this order along with the Scheme duly authenticated by the Registrar, High Court of Gujarat. The Registrar, High Court of Gujarat shall issue the authenticated copy of this order alongwith Scheme as expeditiously as possible.

14. The petition is **allowed and disposed of** accordingly.

(N.V.ANJARIA, J.)

chandrashekhar

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD**COMPANY PETITION NO. 219 of 2014****In****COMPANY APPLICATION NO. 187 of 2014**

=====

SUN PHARMACEUTICALS INDUSTRIES LIMITED....Petitioner(s)

Versus

.....Respondent(s)

=====

Appearance:

MRS SWATI SOPARKAR, ADVOCATE for the Petitioner(s) No. 1

MR DEVANG VYAS, ADVOCATE for the Respondent(s) No. 1

=====

CORAM: **HONOURABLE MR.JUSTICE N.V.ANJARIA****Date : 28/11/2014****ORAL ORDER**

The matter comes up on Board upon Note for Speaking to Minutes filed by learned advocate Mrs. Swati Soparkar for the petitioner.

2. Company Petition No. 219 of 2014 was disposed of by oral order dated 14.11.2014.

3. It was pointed out in the Note for Speaking to Minutes that the following errors have crept in the order:

3.1 In the heading, the name of the company is mentioned as "Sun Pharmaceuticals Industries Limited", which ought to have been "Sun Pharmaceutical Industries Limited".

3.2 In line-5 of paragraph-1, the name of the company is erroneously mentioned as "Coromandel International Limited", which is required to be replaced with the

name "Sun Pharmaceutical Industries Limited".

3.3 In paragraph-13 of the order, the direction issued "to lodge a copy of this order, the schedules of immovable assets of the transferor company as on the date of this order and the Scheme duly authenticated by the Registrar, High Court of Gujarat, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty, if any, on the same within 60 days from the date of the order." is not required, as the petitioner is a transferee company and in respect of transferee company, such direction is not relevant.

4. Accordingly, it is directed that,

4.1 In the heading, the name of the company "Sun Pharmaceuticals Industries Limited" shall stand substituted and shall be read as "Sun Pharmaceutical Industries Limited".

4.2 Line-5 of paragraph-1 of the order, the name of the company "Coromandel International Limited" shall stand replaced with the name "Sun Pharmaceutical Industries Limited".

4.3 The direction in paragraph-13 i.e. "to lodge a copy of this order, the schedules of immovable assets of the transferor company as on the date of this order and the Scheme duly authenticated by the Registrar, High Court of Gujarat, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty, if any, on the same within 60 days from the date of the order." shall stand

deleted.

5. The order dated 14.11.2014 shall stand corrected and shall be read accordingly with the aforesaid correction.

6. Office shall issue fresh copy of the order with above incorporation and correction.

7. The Note for Speaking to Minutes is allowed and disposed of.

(N.V.ANJARIA, J.)

chandrashekhra

PAGES : 10

CHARGE : 38

O/1111/2015

Read By :

Prepared By : MS BHUMIKA M

VAGHELA

Applied on : 09/01/2015

Examined By :

Prepared on : 09/01/2015

Notified on : 12/11/15

Delivered on : 15/11/15



Dy. S.O.

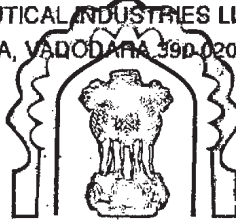
Section Officer

Decree Department

Decree Department

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
ORDER PASSED BY THE COURT IN THE CASE OF

1 SUN PHARMACEUTICAL INDUSTRIES LIMITED
SPARC, TANDALJA, VADODARA 390 020



Applicant(s)

VERSUS

सत्यमेव जयते

THE HIGH COURT
OF GUJARAT

Respondent(s)

Being COMPANY APPLICATION No. 330 of 2014

Appearance on Record:

MRS SWATI SOPARKAR as ADVOCATE for the Applicant(s) No. 1

MR DEVANG VYAS as ADVOCATE for the Respondent(s) No. 1

COURT'S ORDER :

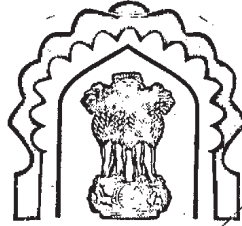
CORAM :

HONOURABLE MR. JUSTICE N.V. ANJARIA

Date of Decision: 24/12/2014
(COPY OF ORDER ATTACHED HEREWITH)



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सत्यमेव जयते
**THE HIGH COURT
OF GUJARAT**

GUJARAT HIGH COURT

O/COMA/330/2014

ORDER

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

COMPANY APPLICATION NO. 330 of 2014

In COMPANY PETITION NO. 219 of 2014

In COMPANY APPLICATION NO. 187 of 2014



SUN PHARMACEUTICAL INDUSTRIES LIMITED... Applicant(s)

Versus

.....Respondent(s)

Appearance:

MR SN SOPARKAR, LD. SENIOR COUNSEL WITH MRS SWATI SOPARKAR,
ADVOCATE for the Applicant(s) No. 1

MR DEVANG VYAS, ADVOCATE for the Respondent(s) No. 1

CORAM: HONOURABLE MR JUSTICE N.V. ANJARIA

Date: 14/12/2014

ORAL ORDER
सत्यमेव जयतेTHE HIGH COURT
OF GUJARAT

The present Company Application is taken out in connection with the orders passed in Company Petition NO.219 of 2014.

2. Heard learned senior counsel Mr.S.N. Soparkar and taken into account the reasons stated in the Application.

3. Company Petition No.219 of 2014 was disposed of by oral order dated 14th November, 2014 and also order dated 28th November, 2014 was passed on Note for speaking to Minutes, rectifying the errors of transcription at three places in the original order dated 14th November, 2014.

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ORDER

4. Order passed in Company Petition No.219 of 2014 when read with duly corrected order dated 28th November, 2014, the order would be as under.



"The present petition is filed by the petitioner-Sun Pharmaceutical Industries Limited for sanction to the Scheme of Arrangement in the nature of Amalgamation of Ranbaxy Laboratories Limited with "Sun Pharmaceutical Industries Limited" (corrected as per order dated 28th November, 2014) under Sections 391 to 394 of the Companies Act, 1956. The petitioner company is the transferee company, whereas the other company is the transferor company. It has been contended that the transferor company, having its registered office at Mohali, Punjab, has taken out the requisite proceedings at High Court of Punjab and Haryana and the Scheme is pending for final hearing.

2. Heard learned advocate Mrs. Swati Soparkar and learned Assistant Solicitor General who appeared for the Central Government upon service of notice issued at the time of admission of the petition.

3. Learned ~~advocate~~ ^{સવકલે નયતે} for the petitioner submitted that ~~the~~ ^{THE HIGH COURT} ~~transferor and transferee~~ ^{OF GUJARAT} companies are listed in the Schedule of the Companies Act, 1956 and are leading in the pharmaceutical field. They are engaged in manufacturing, marketing and exporting pharmaceutical products on a large scale. It was submitted that the petitioner-transferee company is profit making and dividend paying company. It was pointed out that the transferor company has its built-up reserves, though currently is suffering losses.

3.1 It was submitted that the amalgamation is proposed in order to consolidate and effectively manage the pharmaceutical and related business of the transferor company and the transferee company into a single entity, which will provide synergy benefits, attain efficiencies and cost competitiveness. It is envisaged that it would lead to rapid and aggressive expansion of the business. The benefits envisaged and expected from the scheme are highlighted in the petition.

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GUJARAT HIGH COURT

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ORDER



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GUJARAT HIGH COURT

3.2 It was pointed out that the petitioner is a listed public limited company and the shares are listed at Bombay Stock Exchange Limited as well as the National Stock Exchange of India Limited. In compliance with the terms of the Listing Agreement, the petitioner approached the said stock exchanges and obtained their clearance by letters dated 10th and 11th July, 2014 respectively. They are placed on record along with letter from SEBI dated 10th July 2014. It was further pointed out that the petitioner had submitted a certificate from a Chartered Accountant confirming the exemption from the requirement of approval through Postal Ballots and e-voting from public shareholders, as required vide SEBI circulars of 2013. The same was accompanied by an undertaking given by the petitioner company. The copies of both the documents are placed on record. In light of the same, vide order dated 6th July, 2014, the petitioner company was not directed to undertake procedure of postal ballot and e-voting for the purpose.

4. Learned advocates thereafter pointed out that the petitioner company filed Company Application No. 187 of 2014, wherein this court passed order dated 16th July, 2014, directing to convene the meeting of the equity shareholders. The holding of the secured creditors and unsecured creditors of the petitioner company was however dispensed with considering its financial position and further having regard to the positive net worth in the pre-scheme and post scheme scenario as confirmed by the Chartered Accountants by issuing certificate. It was pointed out that though the meetings were dispensed with as above, in order to comply with the contractual terms and honour the contractual obligations with the secured creditors, the petitioner company obtained consent letters from all the secured creditors of the company. The letters are placed on record by additional affidavit dated 8th November, 2014.

4.1 Pursuant to the directions issued with regard to the conduct of the meeting, the notices were duly served to all the equity shareholders. The public notice was also given for the said meeting. A meeting of the equity shareholders was convened on 22nd August, 2014. The scheme was considered at the said

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ORDER

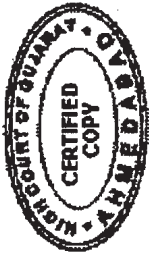
meeting and it was approved by requisite majority of 99.86% in number and 99.99% in value by the equity shareholders present at the meeting and casting the valid votes.

5. The present substantive petition was thereafter filed placing the Scheme of Arrangement for consideration and approval of this Court. Copy of the Scheme is produced at Annexure-F.

5.1 The petition came to be admitted on 10th September, 2014. The public notices in respect of admission of the petition were duly advertised in "Indian Express"-English daily, "Divya Bhaskar"-Gujarati newspaper daily, both Vadodara editions dated 29th September, 2014. The publication in the Government Gazette was dispensed with. Learned advocate for the petitioner stated that no one has come forward to lodge any objection even after publication of the notice, which is further confirmed by additional affidavit dated 8th November, 2014.

5.2 Upon notice of admission of the petition being served on the Central Government, learned Assistant Solicitor General appeared on behalf of the Regional Director. ~~Mr. Anambhu Kumar Agarwal~~, the Regional Director, North-Western Region, Ministry of Corporate Affairs, ~~was~~ ^{represented} by filing affidavit dated 30th October, 2014. ~~the~~ ^{the} said authority made certain observations and comments in its affidavit. In order to answer the observations in the affidavit of the Regional Director, additional affidavit dated 8th November, 2014 was filed by the petitioner company affirmed by one Ashok Bhuta, General Manager (Legal and Secretarial) of the petitioner-transferee company.

6. Proceeding to consider the observations by the Regional Director and explanation offered by the petitioner company in its aforesaid additional affidavit, the first observation in paragraph 2(c) of the Regional Director pertains to compliance of FEMA and RBI guidelines for the equity shares to be issued by the transferee company against the equity shares of the transferor company held by foreign institutions and individuals. It is stated and shown by the petitioner company that vide clause 18(a)(iv) of the scheme, it has been provided that that "the scheme is



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GUJARAT HIGH COURT

O/COMA/330/2014

ORDER

subject to approval from the Foreign Investment Promotion Board(FIPB) and/or the Reserve Bank of India, if required under the applicable laws, rules and regulations. It was stated also that the petitioner-transferee company has already applied for the requisite permission from the FIPB and RBI and the same are awaited. This implies that the Scheme being effective, the issue of new shares shall be in compliance with applicable provisions of FEMA and RBI guidelines. In view of the said clarification, no further directions are required to be issued and the observation of the Regional Director is taken care of.



6.1 The next observation made in paragraph-2(d) is about the compliance with SEBI circulars of 2013, as the petitioner is a listed public limited company. The petitioner company has not disputed the same and has already demonstrated its compliance in form of the approvals from SEBI as well as concerned Stock Exchanges.

6.2 The observation in paragraph-2(e) relates to the compliance with applicable competition laws and regulations prescribed by Competition Commission of India. The petitioner company has stated that it has already approached the Competition Commission of India and shall comply with all the applicable provisions of Competition Act, 2002 and (Procedure in regard to the Transaction of Business relating to Combinations) Regulations, 2011. In clause 18(a)(ii) of the Scheme, it is provided, in view of the said clarification that the observation of the authority is satisfied and no further directions are needed to be issued.

6.3 The next observation pertains to the response received from the Income Tax Department about the proposed Scheme. The petitioner submitted that the said demands are under dispute and appropriate litigations are undergoing for the same and that they are pending at different stages. Further, the petitioner being a transferee company is not getting dissolved under the Scheme. The Scheme does not envisage any absolution from any adjudication liabilities. The petitioner company has confirmed that it shall comply with applicable provisions of Income Tax Act and rules. It is directed that the petitioner company shall comply with and meet with Income Tax

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GUJARAT HIGH COURT

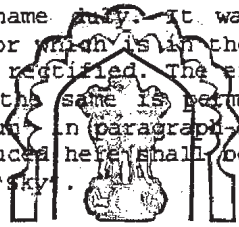


O/COMA/330/2014

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laws, the orders of courts/forum which may be passed in pending litigations.

7. Further submission was made inviting attention of the court to the aforementioned additional affidavit, wherein it is pointed out that there is a typographical error in paragraph-15.2(b) of the Scheme, where the name of the transferee company is typed as "Sky" instead of "Sun". It was clarified that this error of mentioning the wrong name/word has occurred only in the copy of the scheme submitted and filed before this court, but the said error does not exist in the Scheme actually. The printed copy of the scheme circulated amongst the equity shareholders along with the notice was a corrected copy in which the error was rectified and the copy which was before the shareholders while sanctioning the scheme by them, mentioned the name ~~any~~. It was submitted that the inadvertent error which is in the copy produced may be permitted to be rectified. The error being inadvertent and innocuous, the same is permitted to be rectified and the word "Sun" in paragraph-15.2(b) in the copy of the scheme produced here shall be replaced for wrongly mentioned word "sky".



8. The petitioner further submitted that the petitioner-transferee company and the transferor company are involved in manufacturing pharmaceutical products and the sale of operations of manufacturing and marketing in very large for both of them. In order to ensure continuous running of operations and to avoid any disruption of business and ensure the smooth implementation of the proposed scheme of amalgamation, it is necessary that the petitioner-transferee company is permitted to use the existing manufacturing facilities, all relevant licenses, all existing inventories of material and products at every stage (including packing materials) etc. having the name of the transferor company, till time such licences, permits. etc are issued afresh, transferred or renewed by the respective authorities in the name of the transferee company. Considering that the clarification on the above lines would not cause any prejudice to the interest of either the transferor or the transferee company and further that such clarification is found necessary in the interest of justice, it is observed and clarified that the petitioner-transferee



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GUJARAT HIGH COURT

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company is permitted to use the existing manufacturing facilities, all the relevant licenses, all existing inventories of materials and products at every stage (including packing materials etc. having the name of the transferor company, all the time such licences, permits etc. are issued afresh, transferred or renewed by the respective authorities in the name of the transferee company. It was stated that the fresh licences, permits etc. would be when issued, would be effective from the effective date of the scheme.

9. In view of above, all the observations and comments by the Regional Director made in respect of the scheme in question have been explained and/or met with and/or do not sustain. From the material on record and perusal of the Scheme, the Scheme appears to be fair and reasonable and is not in violation of any provisions of law and is not contrary to public policy. None of the parties concerned have come forward to oppose the Scheme except as mentioned above. All requisite statutory compliances are fulfilled.

10. This court is accordingly satisfied that the Scheme of Arrangement in the nature of Amalgamation amongst the petitioner and transferee company and the transferor company deserve to be granted. Accordingly, prayer in paragraph 10 of the Company Petition is hereby granted.

11. It is ordered that as required under Section 396-A of the Companies Act, 1956, the transferor company shall not dispose of or destroy its books of accounts and other connected papers without the prior consent of the Central Government and shall preserve the same.

12. The petitioner company shall pay towards professional charges to learned Additional Solicitor General Rs.7,500/- in respect of the petition.

13. (deleted as per order dated 28th November, 2014)

13.1 The petitioner company is directed to file a copy of this order along with a copy of the scheme with the concerned Registrar of Companies, electronically, along with Employee-Form 21 in addition to physical



NATIONAL INFORMATICS CENTRE

GUJARAT HIGH COURT

O/COMA/330/2014

ORDER

copy as per relevant provisions of the Act.

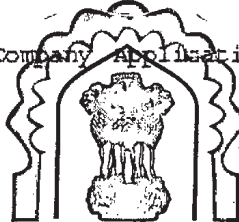
13.2 Filing and issuance of drawn up order is hereby dispensed with. All the authorities to act on a copy of this order along with the Scheme duly authenticated by the Registrar, High Court of Gujarat. The Registrar, High Court of Gujarat shall issue the authenticated copy of this order alongwith scheme as expeditiously as possible.

14. The petition is allowed and disposed of accordingly."

5. The above is the final order dated 14th November, 2014 which shall govern the outcome of Company Petition No.219 of 2014.

This Company Application is disposed of in terms as above.

Anup

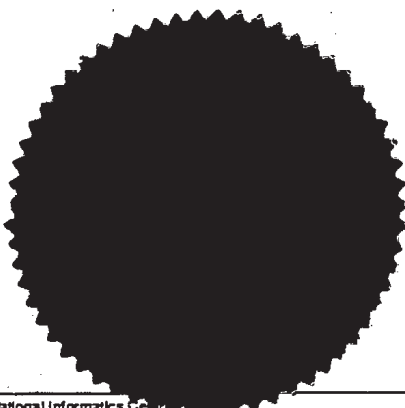


सत्यमेव जयते
THE HIGH COURT
OF GUJARAT

Sd/-
(N.V.ANJARIA, J.)

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DEPUTY / ASSISTANT REGISTRAR
THIS DAY OF

12/1/15
Page 8 of 8

(5)

Corrected by :- *Archaant*
- 1 - 13/3/15

Authenticated Scheme

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
ORIGINAL JURISDICTION

COMPANY APPLICATION NO. 330 OF 2014
IN

rw
Section Officer's
Decree Department
Dt. 13/3/2015

H-2629/14
No. *457* Page *01/32*
Company & Capital Charges
Total Rs. *123-00*

COMPANY PETITION NO. 219 OF 2014
Connected with
COMPANY APPLICATION No. 187 OF 2014

Copy Applied on : *15-11-14*
Copy Ready on : *13-3-15*
Notified on : *13-3-15*
Copy Delivered on : *13-3-15*
Sent by :
Regd. By Post :

Dy. S. O.



In the matter of Scheme of Arrangement under
Sections 391 to 394 of the Companies Act, 1956
And

In the matter of
Sun Pharmaceutical Industries Limited.

A company incorporated under the Companies Act,
1956 and having its registered office at SPARC,
Tandalja, Vadodara- 390 020, in the State of
Gujarat.

And
Scheme of Arrangement in the nature of
amalgamation of Ranbaxy Laboratories Limited with
Sun Pharmaceutical Industries Limited.

ASP
[Signature]

Sun Pharmaceutical Industries Limited.
A company incorporated under the Companies Act,
1956 and having its registered office at SPARC,
Tandalja, Vadodara- 390 020, in the State of
Gujarat.....Petitioner Company



SCHEME OF ARRANGEMENT

BETWEEN

RANBAXY LABORATORIES LIMITED - TRANSFEROR COMPANY

AND

SUN PHARMACEUTICAL INDUSTRIES LIMITED - TRANSFEREE COMPANY

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



ASP
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S
Advocate

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

I. PREAMBLE

I.I. Description of Companies

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

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



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TRUE COPY

Advocate

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

1.2. Rationale for the Scheme

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

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

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



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TRUE COPY
Advocate

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

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

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

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

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

1.6. **Definitions**

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

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



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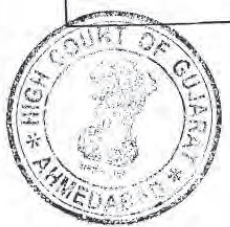
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"effectiveness of this Scheme" or "Scheme taking effect" shall mean the Effective Date;

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



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



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



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

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

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

All terms and words not defined in this Scheme shall, unless repugnant or contrary



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

2. SHAPE CAPITAL

2.1. Transferor Company

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

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

- * Includes 6,294,081 equity shares represented by the GDRs.
- * The Transferor Company intends to allot 26,747 equity shares on April 14, 2014 to employees of the Transferor Company who have exercised their vested options under ESOP II and ESOP 2005.

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



2.2. Transferee Company

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

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

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

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

3. TRANSFER AND VESTING OF UNDERTAKING

Generally

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

Transfer of Assets

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

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



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

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



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

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

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

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



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

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

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

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



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

4. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

4.1. Upon the coming into effect of this Scheme and subject to all the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, assurances and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect by, for or against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and effectively as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto.

4.2. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite agreements or arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, under the provisions of the Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.

4.3. The Transferee Company shall be entitled to the benefit of all insurance policies which have been issued in respect of the Transferor Company and the name of the Transferee Company shall be substituted as "Insured" in the policies as if the Transferee Company was initially a party.

5. LEGAL PROCEEDINGS

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



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

6. OPERATIVE DATE OF THE SCHEME

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

7. STANDSTILL PROVISIONS TILL EFFECTIVE DATE

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

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

8. ISSUE OF CONSIDERATION BY THE TRANSFEE COMPANY

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



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

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

HIGH COURT OF GUJARAT
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8.7 In so far as New Equity Shares are concerned, the same will be distributed in dematerialized form to the equity shareholders of Transferor Company, provided all details relating to the account with the depository participant are available to Transferee Company. All those equity shareholders who hold equity shares of Transferor Company and do not provide their details relating to the account with the depository participant will be distributed New Equity Shares in the physical/certificate form unless otherwise communicated in writing by the shareholders on or before such date as may be determined by the board of Transferee Company or committee thereof.

8.8 Upon the coming into effect of the Scheme, the New Equity Shares of Transferee Company to be issued and allotted to the members of the Transferor Company as provided in the Scheme shall be subject to the provisions of the memorandum of association and articles of association of the Transferee Company and shall rank *pari passu* from the date of allotment in all respects with the existing equity shares of Transferee Company including entitlement in respect of dividends. The issue and allotment of New Equity Shares by the Transferee Company to the members of the Transferor Company as provided in this Scheme is an integral part hereof and shall be deemed to have been carried out pursuant to the Act.

8.9 No fractional certificates, entitlements or credits shall be issued or given by the Transferee Company in respect of the fractional entitlements, if any, to which the shareholders of the Transferor Company are entitled on the issue and allotment of equity shares by the Transferee Company in accordance with this Scheme. If any members of the Transferor Company have a shareholding such that such members become entitled to a fraction of a New Equity Share, the Board of Directors of the Transferee Company shall consolidate all such fractional entitlements to which the shareholders of the Transferor Company may be entitled on issue and allotment of the equity shares of the Transferee Company as aforesaid and shall, without any further application, act, instrument or deed, issue and allot such fractional entitlements directly to a nominee to be appointed by the board of directors of the Transferee Company, who shall hold such fractional entitlements with all additions or accretions thereto in trust for the benefit of the respective shareholders to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such fractional entitlements in the market at such price or prices and at such time or times as the nominee may in its sole discretion decide and on such sale pay to the Transferee Company the net sale proceeds thereof and any additions and accretions, whereupon the Transferee Company shall, subject to withholding tax and expenses, if any, distribute such sale proceeds to the concerned shareholders of the Transferor Company in proportion to their respective fractional entitlements.

8.10 Subject to receipt of such approvals, consents and sanctions as may be necessary under applicable law, in so far as it pertains to outstanding GDRs, if any:

(a) The Board of Directors of the Transferee Company may elect, in its sole discretion to:



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



8.11 ESOPs:

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



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

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



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

8.12 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of Directors of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Transferor Company, after the effectiveness of this Scheme. The New Equity Shares to be issued by the Transferee Company pursuant to this Scheme in respect of any equity shares of the Transferor Company which are held in abeyance under the provisions of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Transferee Company.

8.13 The New Equity Shares (and, if applicable, global depository receipts) of the Transferee Company issued pursuant to this Scheme, including and where applicable, without limitation, the equity shares relating to the GDRs shall not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") in reliance upon the exemption under Section 3(a)(10) of the Securities Act. The sanction of the High Courts to this Scheme will be relied upon for the purpose of qualifying the issuance and distribution of the equity shares of the Transferee Company issued pursuant to this Scheme, including and where applicable, without limitation, the equity shares relating to the GDRs (and, if applicable, global depository receipts) for such an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof.



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

9.1 An amount equal to the balance lying to the debit in statement of profit and loss in the books of the Transferor Company on the close of 31st day of March, 2014, shall be, in the books of the Transferor Company, adjusted/reduced as follows in accordance with provisions of sections 391 to 394, sections 78 and 100 to 103 of the Companies Act, 1956 and section 52 of the Companies Act, 2013 and any other applicable provisions of law:

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- a. Firstly, against reduction of Capital Reserve Account of the Transferor Company amounting to INR 176.20 crores. (Rupees one hundred seventy six crores and twenty lacs only);
- b. Secondly, against reduction of Securities Premium Account of the Transferor Company amounting to INR 3501.48 crores. (Rupees three thousand five hundred one crore and forty eight lacs only);
- c. Thirdly, against reduction of the General Reserve of the Transferor Company amounting to INR 551.92 (Rupees five hundred and fifty one crores and ninety two lacs only), to the extent available or required;



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d. The balance, if any, remaining in the debit in statement of profit and loss in the books of the Transferor Company shall be carried in the books of the Transferor Company as on 31st March, 2014.

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

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

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



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be) the Transferee Company's free reserves.

10.4 An amount equal to the balance lying to the credit of Securities / Share Premium Account in the books of the Transferor Company (after the immediately preceding adjustment/ reduction of the debit balance of profit and loss account as per clause 9 above), if any, shall be credited by the Transferee Company to its Securities / Share Premium Account and shall constitute the Transferee Company's Securities / Share Premium Account.

10.5 The face value of equity shares issued by the Transferee Company to the shareholders of the Transferor Company will be recorded as equity share capital of the Transferee Company. The excess of the amount recorded as share capital issued by the Transferee Company over the amount of share capital of the Transferor Company will be reduced from General Reserve Account. In case of excess of the amount of share capital of the Transferor Company over the amount recorded as share capital issued by the Transferee Company will be credited to Capital Reserve Account.

10.6 In case of any difference in accounting policies of the Transferee Company and the Transferor Company, the impact of the same, till the Appointed Date will be quantified and the same shall be appropriately adjusted and reported in accordance with applicable Accounting Standards so as to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policies.

11. DIVIDEND

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

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



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

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

12. BRANDS AND TRADEMARK

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

13. TRANSFEROR COMPANY EMPLOYEES

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



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

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

14. DISSOLUTION OF THE TRANSFEROR COMPANY AND VALIDITY OF



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RESOLUTIONS

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

15.1 Increase of authorised share capital

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

(b) Clause V of the memorandum of association of the Transferee Company shall, without any further act or deed, be substituted by the following clause:

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



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

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

(d) Pursuant to this Scheme, the Transferee Company shall file the requisite forms with the Registrar of Companies for alteration of its authorized share capital.

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

15.2 Director Nomination, Management Indemnification

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

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



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

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

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

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

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


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

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

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

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

16. APPLICATION TO THE HIGH COURT

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

17. MODIFICATIONS, AMENDMENTS TO THE SCHEME

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



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

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

18. SCHEME CONDITIONAL UPON APPROVALS/ SANCTIONS

This Scheme is conditional upon and subject to:

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



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Advocate

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

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

19. TAXES / DUTIES / CESS ETC.

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



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20. EFFECT OF NON-RECEIPT OF APPROVAL/SANCTION

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



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Advocate

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

21. SEVERABILITY

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

22. EXPENSES CONNECTED WITH THE SCHEME

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



In view of para 13.2 of the order dated 14th November 2014, passed by the Hon'ble court (Coram: Hon'ble Mr. Justice N. V. Anjaria) in Company Petition No. 219 of 2014, and as rectified by the Hon'ble court (Coram: Hon'ble Mr. Justice N. V. Anjaria) dated 24th December 2014 passed in Company Application No. 330 of 2014 in Company Petition No. 219 of 2014, the Scheme is hereby authenticated.



[Signature]
12-03-15
Registrar (Judicial)

This 13th day of March 2015

[Signature]
12/03
12/03/2015
Sealer and Deputy Registrar

This 12th day of March 2015

TRUE COPY

ASSISTANT REGISTRAR
THIS 13-3-15 DAY OF

**AMALGAMATION
OF
SUN PHARMA GLOBAL INC.
WITH
SUN PHARMACEUTICAL INDUSTRIES LTD.**

PAGES : 12

CHARGE : 72

U/4227/2015

Read By :

Prepared By : MS. BITTAN RAJPUT

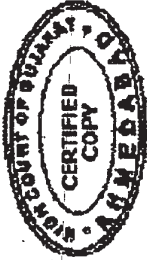
Examined By :

Applied on : 30/07/2015

Prepared on : 04/08/2015

Notified on : 4-8-15

Delivered on : 4-8-15



Dy. S.O.

Section Officer

Decree Department

Decree Department

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

COMPANY PETITION 211 of 2015

In COMPANY APPLICATION 141 of 2015

1 SUN PHARMACEUTICAL INDUSTRIES LIMITED
SPARC, TANDLAJA,
VADODARA

390020

Petitioner(s)

VERSUS

1

COMP

Respondent(s)

Being - No. 211 of 2015

Appearance on Record:

MRS SWATI SOPARKAR as ADVOCATE for the Petitioner(s) No. 1

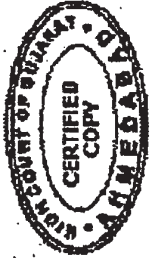
MR DEVANG VYAS as ADVOCATE for the Respondent(s) No. 1

COURT'S ORDER :

CORAM :

HONOURABLE MR JUSTICE VIPUL M. PANCHOLI

Date of Decision: 30/07/2015
(COPY OF JUDGEMENT ATTACHED HEREWITH)



GUJARAT HIGH COURT

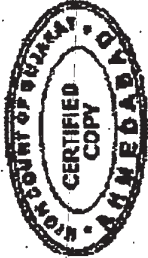
COMP/211/2015

ORDER

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

COMPANY PETITION NO. 211 of 2015

In COMPANY APPLICATION NO. 141 of 2015



SUN PHARMACEUTICAL INDUSTRIES LIMITED....Petitioner(s)
Versus
.....Respondent(s).

Appearance:

MRS SWATI SOPARKAR, ADVOCATE for the Petitioner(s) No. 1
MR DEVANG VYAS, ADVOCATE for the Respondent(s) No. 1

CORAM: HONOURABLE MR. JUSTICE VIPUL M. PANCHOLI

Date : 30/07/2015

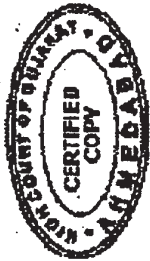
ORAL ORDER

1. This is a petition filed by the Petitioner Company for the purpose of obtaining the sanction of this court to a Scheme of Amalgamation of Sun Pharma Global Inc., the Transferor Company with Sun Pharmaceutical Industries Limited, the Petitioner Transferee Company, proposed under sections 391 and 394 of the Companies Act, 1956.

2. It has been submitted that both the companies in the proposed scheme belong to the same group of management. The Transferor Company viz. Sun Pharma Global Inc. is the wholly owned subsidiary of the Petitioner Company. It was incorporated in British Virgin Islands under International Business Companies Act, Cap 291, of BVI and the

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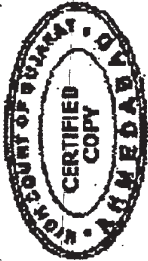
registered office of the company is situate in the Road Town, Tortola, British Virgin Islands. It has been engaged in the business activities of strategic and non-strategic investments and financing mainly to its group subsidiary or associate companies worldwide which are engaged mainly in the business of and carrying out research and development, manufacturing, selling and marketing of pharmaceutical products. The petitioner Transferee Company is a leading pharmaceutical company in India, engaged in the business of development, manufacture, sale, trading, and export of various generic drug formulations, manufacture of drugs and pharmaceutical products. Both the companies are profit making companies. The Board of Directors of these companies thought it fit to amalgamate the Transferor Company with the Transferee Company with an object of consolidation of the activities, reorganize, consolidate and integrate the operations of the two companies as a part of group restructuring and thereby achieve synergic benefits. The petition provides the details of the benefits envisaged as a result of the scheme.

3. It has been further pointed out that the Petitioner Company is a listed public limited company and the shares are listed on BSE Limited and National Stock Exchange of India Limited. In

GUJARAT HIGH COURT

D/COMP/211/2015

ORDER

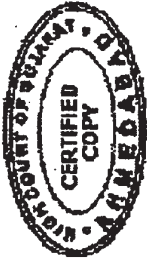


compliance with clause 24 (f) of the listing agreement, the Petitioner Company had approached the concerned stock exchanges, and the approvals/clearances obtained from the said exchanges had been placed on record. It has been further pointed out that since the Transferor Company is a wholly owned subsidiary of the petitioner company, no shares are to be issued towards consideration for the proposed amalgamation. Hence, though the petitioner company is governed by the SEBI circulars dated 4th February 2013 and 21st May 2013, the compliance of clause 5.16 (a) of the aforesaid circulars, is not necessary for the Petitioner Company. The Petitioner Company had already submitted the requisite Undertaking and the Auditor's certificate to the SEBI and the copies of the same had been placed on record of this court. In light of the facts and circumstances, vide order dated 23rd April 2015, no directions were issued to the Petitioner Company to undertake the procedure of postal ballot and e-voting for seeking approval from the Public shareholders.

4. It has been further submitted that the rights and interests of the Creditors of the Petitioner Company shall not be affected in any manner as a result of the proposed scheme. The scheme does not envisage any arrangement or compromise with

COMP/211/2015

ORDER



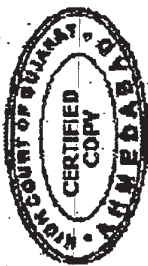
the creditors of the Petitioner Transferee Company. The Petitioner Company shall continue its business operations, as the amalgamated company after such amalgamation of the Transferor Company with the Petitioner Company. It has been pointed out that the Transferor company is a profit making company with substantial positive net worth. The Transferee Company has undertaken to fulfill all its liabilities towards creditors in its normal course of business. In the facts and circumstances, the meetings of the secured and unsecured creditors of the Petitioner Company were held to be not necessary vide order dated 23rd April 2015. However, in light of the contractual terms of the loan agreements with its Secured Creditors, the Petitioner Company has obtained the approval from all its Secured Creditors and the same are placed on record with the Additional Affidavit dated 28th July 2015.

5. It has been submitted that vide order dated 23rd April 2015 passed in Company Application No. 141 of 2015, a meeting of the Equity Shareholders of the Petitioner Transferee Company was directed to be convened for the purpose of obtaining their approval to the scheme. Pursuant to the directions, issue with regard to the conduct of the meeting, after the due notices to all the Equity Shareholders as well as the public notice,

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ORDER

the said meeting was duly convened on 3rd June 2015. The scheme was considered at the said meeting and it was approved by the requisite statutory majority of 99.89% in number and 99.99% in value by the Equity shareholders present and casting valid votes at the said meeting. The chairman's report alongwith affidavit dated 7th June 2015 has been placed on record which provides the details of the result of the meeting.



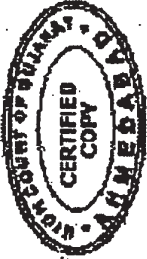
6. The substantive petition for the sanction of the scheme was filed by the petitioner company which was admitted on 15th June 2015. The notice for the hearing of the petition was duly advertised in the Vadodara editions of English daily 'Indian Express' and Gujarati daily 'Divya Bhaskar' dated 23rd June 2015, and the publication in the Government gazette was dispensed with as directed in the said orders. Pursuant to the said publication in the newspapers, no objections were received by the petitioner or its advocate. The said fact has been confirmed vide common additional affidavit dated 28th July 2015.

7. Notice of the petition have been served upon the Central Government and Shri Devang Vyas, learned Assistant Solicitor General appears for the Central Government. An affidavit dated 27th

COMP/211/2015

ORDER

July 2015 has been filed by Mr. Shambhu Kumar Agarwal, the Regional Director, North-Western Region, Ministry of Corporate Affairs, whereby several observations are made.



8. The attention of this court is drawn to the Additional Affidavit dated 28th July 2015 filed by Mr. Ashok Bhuta, the General Manager (Legal and Secretarial) and the authorized signatory of the petitioner company whereby all the above issues have been dealt with. I have further heard submissions made by the learned counsel appearing for the Central Government and Mr. Saurabh Soparkar, learned Senior Advocate appearing for Mrs. Swati Soparkar, learned advocate appearing for the petitioner on the said observations;

(i) The observations made vide 2 (a), 2 (b) and 2 (c) of the affidavit of the Regional Director refer to the factual position and require no response.

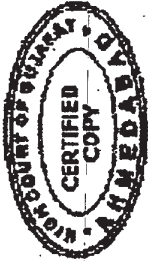
(ii) vide para 2 (d), the Regional Director has sought directions to be issued to the Petitioner Company for compliance with the provisions of FEMA and RBI Guidelines. In this regard, it has been submitted that the present scheme envisages amalgamation of a wholly owned subsidiary of the Petitioner Transferee Company

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ORDER

and hence the scheme does not involve any consideration, even in the form of issue of shares to any shareholders. In light of this fact, the provisions of the above Acts are not attracted and no approval is required so far as the present scheme of Amalgamation is concerned. The petitioner Company has in the past made all requisite compliances, in view of its shareholding structure and shares held by the Non Resident Indians and/or Foreign Investors. Considering the facts and circumstances, no directions are required to be issued to the petitioner company for such compliances.

(iii) The Regional Director vide observation made in para 2 (e), observed that the petitioner company, being the listed company had approached the concerned stock exchanges, viz. BSE and NSX and obtained the requisite observation letters from the said exchanges. However, under the SEBI circulars dated 4th February 2013 and 21st May 2013, the approval from SEBI has to be obtained. It has been submitted by the petitioner that the company was required to obtain SEBI approval through the stock exchanges only and the said exchanges have actually granted the observation letter only after obtaining clearance from SEBI. It has been further pointed out that the said petitioner Company, despite being a listed



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company; was not required to obtain the approval of the public shareholders as envisaged under Clause 5.16(a) of the above referred SEBI circulars as the same was not applicable as certified by a Chartered Accountant and undertaking submitted by the petitioner to SEBI. Copies of the said certificate as well as undertaking has already been placed on record. Considering the facts and circumstances, no further directions are required to be issued in this regard.

(iv) The next observation made vide para 2 (f) of the affidavit, pertains to the letter dated 29th June 2015 sent by the Regional Director to the Income Tax Department to invite their objections, if any and the response received from the said department vide letter dated 15th July 2015. It has been pointed out by the Regional Director that there is an outstanding demand against the said petitioner company and that scrutiny proceedings have been undertaken by the Income Tax Department for last two assessment years. In this regard, it has been submitted that the present scheme of amalgamation does not affect the pending proceedings and/or demands. The petitioner company before this Court is the Transferee Company and the said company shall comply with applicable provisions of Income Tax

GUJARAT HIGH COURT

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Act and Rules. The petitioner company shall fulfill all its tax liabilities as and when the same are crystallized by the appellate authorities. Hence no further directions are required to be issued by this court in this regard.



9. Considering all the facts and circumstances and taking into account all the contentions raised by the affidavits and reply affidavits and the submissions during the course of hearing, I am satisfied that the observations made by the Regional Director, Ministry of Corporate Affairs, do not survive. I have come to the conclusion that the present scheme of arrangement is in the interest of its shareholders and creditors as well as in the public interest and the same deserves to be sanctioned.

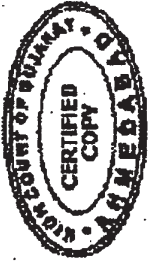
10. Prayers in terms of paragraph 32 (a) of the Company Petition No. 211 of 2015 are hereby granted.

11. The petition is disposed of accordingly. So far as the costs to be paid to the Central Government Standing Counsel is concerned, I quantify the same at Rs. 10,000/- for the Petitioner Transferee Company being listed company.

D/COMP/211/2015

ORDER

12. The Petitioner Company is directed to file a copy of this order alongwith a copy of the scheme with the concerned Registrar of Companies, electronically, along with INC-28 in addition to physical copy as per relevant provisions of the Act.



13. Filing and issuance of drawn up order is hereby dispensed with.

14. All concerned authorities to act on a copy of this order along with the scheme duly authenticated by the Registrar, High Court of Gujarat. The Registrar, High Court of Gujarat shall issue the authenticated copy of this order alongwith scheme as expeditiously as possible.

sd/-
(VIPUL M. PANCHOLI, J.)

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GUJARATI HIGH COURT



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on/...
DEPUTY / ASSISTANT REGISTRAR
THIS 4/8/15 DAY OF
Page 12 of 12

"Corrected by"

Beharwal
4/8/15

Authenticated Scheme

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

ORIGINAL JURISDICTION

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U/p. No. *(22) pages 22*
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COMPANY PETITION NO. 211 OF 2015.

CONNECTED WITH

COMPANY APPLICATION NO. 141 OF 2015.

rel. u/s 15
Section Officers
Decree Department
Dt. — / 200

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Notified on *4-8-15*
Copy Delivered on *4-8-15*
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Regd. By Post

Dy. S. O.

In the matter of Scheme of Amalgamation under Sections 391 to 394 of the Companies Act, 1956 And

In the matter of

Sun Pharmaceutical Industries Limited.

A company incorporated under the Companies Act, 1956 and having its registered office at SPARC, Tandalja, Vadodara- 390 020, in the State of Gujarat.

And

Scheme of Amalgamation of Sun Pharma Global Inc. with Sun Pharmaceutical Industries Limited.

Sun Pharmaceutical Industries Limited.

A company incorporated under the Companies Act,

1956 and having its registered office at SPARC,

Tandalja, Vadodara- 390 020, in the State of

Gujarat.....Petitioner Company



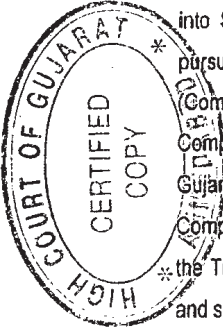
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SCHEME OF AMALGAMATION
OF
SUN PHARMA GLOBAL INC. - TRANSFEROR COMPANY
WITH
SUN PHARMACEUTICAL INDUSTRIES LIMITED - TRANSFEREE COMPANY

This Scheme of Amalgamation provides for the amalgamation of Sun Pharma Global Inc., a British Virgin Islands Business Company incorporated in British Virgin Islands ("BVI") under International Business Companies Act, Cap 291, of BVI on 1st February, 1996, having its registered office at International Trust Building, P.O. Box 659, Road Town, Tortola, British Virgin Islands and Company No. 174355 (hereinafter referred to as the "Transferor Company") into Sun Pharmaceutical Industries Limited, an Indian Company incorporated under the Companies Act, 1956 pursuant to certificate of incorporation dated 1st March, 1993 issued by the Registrar of Companies, Gujarat (Company Registration No. 04-19050 / CIN L24230GJ1993PLC019050) (hereinafter referred to as the "Transferee Company") and having its Registered Office at Sun Pharma Advanced Research Centre, Tandalja, Vadodara, Gujarat-390020, India, pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Companies Act, 1956 and also the provisions of the Companies Act, 2013 as may be notified from time to time for the Transferee Company and provisions of the BVI Business Companies Act, 2004 (as amended) (the "BVI Act") and such other laws as may be applicable to the Transferor Company.



1. PREAMBLE:

A. Description of Companies:

(a) The Transferor Company

- a. Is a company engaged in the business activities of acquiring and holding long term investments which may be strategic or non-strategic investments and financing business and other related activities.
- b. Is a 100% subsidiary of the Transferee Company.

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Deloitte Haskins & Sells LLP



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(b) The Transferee Company i.e. Sun Pharmaceutical Industries Limited was registered on 1st March, 1993 as a public limited company under Part IX of the Companies Act, 1956. The Transferee Company is engaged in the business of development, manufacture, sale, trading, and export of various drug formulations, manufacture of drugs and pharmaceutical products and it also carries out incidental investment and financing activities. It is currently listed on the BSE Limited and National Stock Exchange of India Limited.

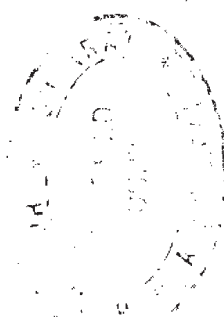
B. RATIONALE OF THE SCHEME:

(a) The Transferor Company is engaged in the business activities of strategic and non strategic investments and financing mainly to its group subsidiary or associate companies worldwide which are engaged mainly in the business of and carrying out research and development ,manufacturing, selling and marketing of pharmaceutical products. The Transferor Company is a 100% subsidiary company of the Transferee Company. The Transferee Company and the Transferor Company intend to reorganize, consolidate and integrate Transferor Company's operations with the activities of the Transferee Company as a part of group restructuring and hence it is proposed to merge the Transferor Company into the Transferee Company by way of merger under this Scheme (as defined herein).

(b) As a part of restructuring of group activities the Transferor Company does not wish to carry on its activities out of India by itself and wants to consolidate its activities with its parent in India hence it is proposing to merge with the Transferee Company.

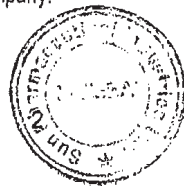
(c) The Amalgamated Company is expected to achieve greater efficiency due to consolidation of operations at one place and bring focussed attention to strengthen and sustain its long term growth, have greater financial leverage on a global basis which will be a very good synergy with the existing strength of pharmaceutical business along with strengthening its ability to face the increasing competitive regulatory environment and global risks.

(d) Amalgamation will result in cost saving for both the Transferor Company and the Transferee Company as they are engaged in interdependent activities that complement each other and which is expected to result in higher net worth for the Amalgamated Company.



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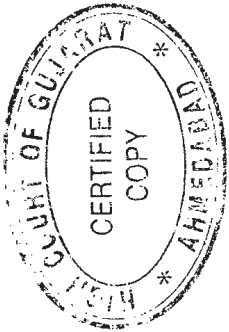
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- 4 -

- (e) The Amalgamated Company will have the benefit of the combined resources of the Transferor Company and the Transferee Company i.e. reserves, investments and other assets and finances of both companies. Thus the Amalgamated Company would be in a position to carry on consolidated operations through optimum utilization of its resources and avoidance of duplication.
- (f) The Amalgamated Company will be in position to have more efficient and more cost effective management system in view of consolidation of operations and larger size.
- (g) The Amalgamated Company would also have a larger network base, and greater borrowing capacity, which would provide it a competitive edge over others, especially in view of the increasing competition due to liberalization and globalization, which will be beneficial in more than one ways to both the Transferor Company and the Transferee Company including their shareholders and creditors, as the Amalgamated Company plans to meet the competition in more effective way by combining their asset base and operations.
- (h) The Board of Directors of the Transferor Company and the Transferee Company are of the opinion that it would, therefore, be advantageous to combine the activities and operations of the Transferor Company into the Transferee Company for synergistic linkages and the benefit of financial and other resources of each other and that the amalgamation would benefit the shareholders, employees and other stakeholders of the Transferor Company and the Transferee Company.



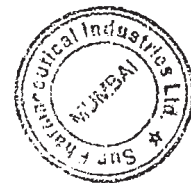
With the aforesaid objectives, it is proposed to amalgamate the Transferor Company with the Transferee Company.

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C. Operation of the Scheme:

- (a) It is proposed that Transferor Company be merged on a going concern basis, pursuant to the provisions of section 174 of the BVI Act, and/or any other applicable laws of BVI and a Scheme of Amalgamation under Sections 391 to 394 of the Companies Act, 1956 and such provisions of the Companies Act, 2013 as may be notified from time to time, into the Transferee Company for achieving the above mentioned objectives. As a matter of BVI law, the transaction will be characterised as a merger of a BVI business company with and into a foreign company, with the survivor being a foreign company, pursuant to section 174 of the BVI Act.

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Deloitte Haskins & Sells LLP



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ADVOCATE

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- (b) With the aforesaid objectives and to give effect to the terms of this Scheme of Amalgamation, the Transferor Company and the Transferee Company will combine the activities and operations into a single company i.e. Transferee Company for synergistic linkages besides the benefits of financial and other resources of each other.

- (c) The merger of the Transferor Company under this Scheme of Amalgamation will be effected as a Scheme under the provisions of other applicable laws and under sections 391 to 394 of the Companies Act, 1956 and such provisions of the Companies Act, 2013 as may be notified from time to time. As a matter of BVI law, the transaction will be characterized as a merger of a BVI business company with and into a foreign company, with the survivor being a foreign company, pursuant to section 174 of the BVI Act.

2. PURPOSE OF THE SCHEME:

- (a) In view of the rationale given in clause 1 above, it is proposed that the Transferor Company be merged, pursuant to a Scheme of Amalgamation under Sections 391 to 394 of the Companies Act, 1956 or such other applicable provisions of the Companies Act, 2013 as may be notified from time to time and pursuant to the provisions of section 174 of the BVI Act and its Undertaking be transferred to the Transferee Company for achieving objectives as stated in clause 1 above.

- (b) With the aforesaid objectives and to give effect to the terms of this Scheme of Amalgamation, the Transferor Company and the Transferee Company will combine the activities and operations into a single company i.e. Transferee Company for synergistic linkages besides the benefit of financial and other resources of each other.

3. DEFINITIONS:

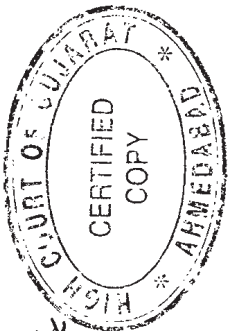
In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meanings: -

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- (a) "Act" means the Companies Act, 1956, as may be applicable, including any statutory modifications, re-enactments or amendments thereof and shall include the relevant and corresponding sections under Companies Act, 2013, as and when the same are made applicable before the effective date of the Scheme.
- (b) "Amalgamated Company" means the combined entity formed covering the Transferor Company and the Transferee Company post the Scheme becoming effective. Pursuant to the Scheme, the Transferee Company will be surviving entity or the 'Amalgamated Company' and no new entity will be formed.
- (c) "Applicable Laws" means any statutes, notifications, 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/or BVI including any modifications or re-enactment thereof for the time being in force.
- (d) "Appointed Date" means 1st January, 2015 or such other date as may be approved by the respective regulatory authority or other Government Authority, if applicable.
- (e) "BVI Act" means the BVI Business Companies Act, 2004 (as amended).
- (f) "Court" or "High Court" means Hon'ble High Court of Gujarat, and shall include the Company Law Board (CLB) / National Company Law Tribunal (NCLT), if applicable in case of Transferee Company
- (g) "Effective Date" means the last of the dates on which the sanctions/approvals or orders as specified in Clause No. 19 of this Scheme have been obtained and/or filed.
- (h) "Governmental Authority" means any concerned 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, Competition Commission of India or arbitration or arbitral body having jurisdiction, Courts and other government and regulatory authorities of BVI and India in each case.



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- (i) "Scheme" or "Scheme of Amalgamation" means this Scheme of Amalgamation in its present form or with any modifications, approved or imposed or directed by the Hon'ble High Court of Gujarat or the CLB/ NCLT with all the Schedules appended thereto.
- (j) "Transferor Company" means Sun Pharma Global Inc. a BVI Business Company with Company No. 174355 having its Registered Office at International Trust Building, P.O. Box 659, Road Town, Tortola, British Virgin Islands.
- (k) "Transferee Company" means Sun Pharmaceutical Industries Limited, a public limited company incorporated under the Companies Act, 1956 having its Registered Office at Sun Pharma Advanced Research Centre, Tandajia, Vadodara, Gujarat-390020, India. Pursuant to the Scheme, the Transferee Company will be surviving entity or the 'Amalgamated Company' and no new entity will be formed.
- (l) "Undertaking" shall mean and include:
- 1) All the assets of the Transferor Company including all tangible and intangible assets and all rights associated therewith as on the Appointed Date (hereinafter referred to as 'the said Assets').
 - 2) All secured and unsecured debts (whether in United States Dollars or in any other currency), all liabilities, duties and obligations of the Transferor Company along with any charge, encumbrance, lien or security thereon as on the Appointed Date (hereinafter referred to as 'the said Liabilities').
 - 3) Without prejudice to the generality of Sub-clause (1) and (2) above the undertaking of the Transferor Company shall include all preliminary and pre-operative expenses, assets, investments, claims, rights under power of attorney granted in favour of the Transferor Company or its authorized personnel and directors, powers, authorities, allotments, approvals, consents, contracts, enactments, arrangements, rights, titles, interests, benefits, advantages, lease-hold rights, tenancy rights and other intangible rights, hire purchase contracts and assets, lending contracts, benefit of any security arrangements, reversions, powers, permits, quotas, entitlements, registrations, licenses (industrial, commercial, for operations at exchanges or otherwise), municipal permissions, systems of any kind whatsoever, rights and benefits of all agreements and other interests including rights and benefits under various schemes of different taxation laws as may belong to or be available to the Transferor Company, rights and powers of every kind, nature and description of whatsoever probabilities, liberties, easements, advantages, and approval of whatsoever nature and wheresoever situated, belonging to or in ownership of the Transferor Company, including but without being limited to trade and services marks, patents, copyrights, brand names, and any other intellectual property rights of any nature whatsoever,

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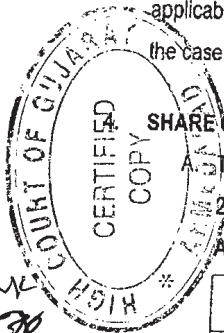


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authorizations, permits, rights to use and avail of telephones, telexes, facsimile, email, internet, lease line connections and installations, utilities, electricity and other services, all records, files, papers, computer programs, software, know-how, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and other records in connection with or relation to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession, or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in BVI or abroad including its employees which are working with the Transferor Company as on the Appointed /Effective Date.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Companies Act, 1956 or Companies Act, 2013 as applicable, the Securities Contracts (Regulation) Act, 1956 and other applicable laws, rules, regulations, by-laws as the case may be or any statutory modifications or re-enactment thereof from time to time.



SHARE CAPITAL:

A. The Share Capital of the Transferor Company as on 31st March, 2014 (Audited) and as on 31st December, 2014 is as follows:

Authorised Capital:

(Amount (in US \$))

	March 31, 2014	December 31, 2014
Equity Shares of USD 1/- each	\$ 100,000,000	\$ 100,000,000
2% Preference Shares of USD 1 each	\$200,000,000	\$200,000,000
5% Preference Shares of USD 1 each	\$ 700,000,000	\$700,000,000
Total	\$ 1000,000,000	\$ 1000,000,000

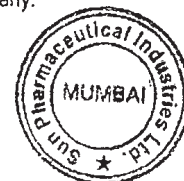
Issued, Subscribed and Paid up capital:

(Amount (in US \$))

	March 31, 2014	December 31, 2014
Equity Shares of USD 1/- each	\$ 2,471,515	\$ 2,471,515
2% Preference Shares of USD 1/- each	\$ 83,750,000	\$ 83,750,000
5% Preference Shares of USD 1 each	\$ 700,000,000	\$700,000,000
Shareholders' current Account (i.e. shareholders of Transferor Company) - Share Application Money received	\$ 2,067,572	---
Total	\$788,289,087	\$786,221,515

Presently Sun Pharma Global Inc. is the 100% subsidiary of the Transferee Company.

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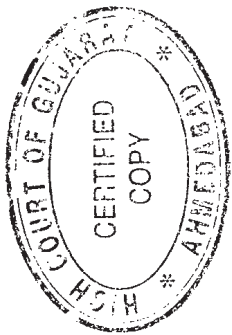
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There is no change in the Share Capital of the Transferor Company and as on the date of filing of this Scheme.

B. The Share Capital of the Transferee Company as on 31st March, 2014 (Audited) and as on 30th September, 2014 is as under:

	(Amount (Indian Rs.))	
	March 31, 2014	September 30, 2014
3,00,00,00,000 Equity Shares of Re.1/-each	Rs. 3,00,00,00,000	Rs. 3,00,00,00,000
Total	Rs. 3,00,00,00,000	Rs. 3,00,00,00,000

	(Amount (Indian Rs.))	
	March 31, 2014	September 30, 2014
2,07,11,63,910 Equity Shares of Re.1/-each	Rs. 2,07,11,63,910	Rs. 2,07,11,63,910
Total	Rs. 2,07,11,63,910	Rs. 2,07,11,63,910



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Presently Sun Pharmaceutical Industries Limited. is the 100% holding company of the Transferor Company. Consequently, upon the Scheme of Amalgamation becoming finally effective, the Transferee Company will not be required to issue any shares in terms of this Scheme to the shareholders of the Transferor Company.

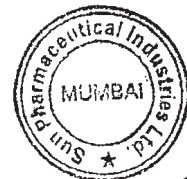
Pursuant to the meeting held on 22nd August, 2014 the Shareholders of the Transferee Company have approved the Scheme of Arrangement for merger of Ranbaxy Laboratories Limited with the Transferee Company with effect from the Appointed Date being 1st April, 2014. If the said Scheme of Arrangement is approved by the Hon'ble High Courts and other applicable authorities, the Transferee Company will issue shares to the shareholders of Ranbaxy Laboratories Limited. Pursuant to such Scheme of Arrangement being sanctioned, the Authorised Share Capital of Ranbaxy Laboratories Limited will be merged with the Authorised Share Capital of the Transferee Company and the pursuant to the shares to be issued to the shareholders of Ranbaxy Laboratories Limited the Issued, Subscribed and Paid up Share Capital of the Transferee Company would accordingly be increased.

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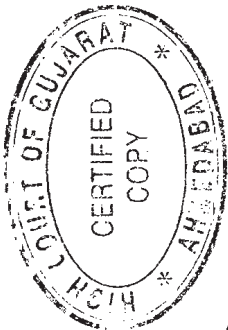
5. TRANSFER OF UNDERTAKING:

(a) With effect from the Appointed Date and subject to the provisions of this Scheme and pursuant to the provisions of Section 174 of the BVI Act and Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 and Applicable Laws and in relation to the mode of transfer and vesting, the 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 transferred to or vested in the Transferee Company as a going concern, so as to become as and from the Appointed Date, the estate, rights, titles and interests and authorities including accretions and appurtenances thereto such as dividends, or other benefits receivable of the Transferee Company.

(b) With effect from the Appointed Date, and subject to the provisions of this Scheme, all the Liabilities of the Undertaking of the Transferor Company shall stand transferred or deemed to have been transferred, without any further act, instrument or deed, to the Transferee Company, pursuant to the provisions of Section 174 of the BVI Act and Sections 391 to 394 and other applicable provisions of the Companies Act, 1956, so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain consent of any third party or other person who is a party to the contract or arrangements by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this clause.

(c) With effect from the Appointed date, to the extent permitted under Applicable Laws, all taxes paid, taxes refund due or receivable, carried forward losses, depreciation, capital losses, pending balances of amortizations etc., under the applicable BVI laws including application for rectification, appeals filed with tax authorities of the Transferor Company shall also, pursuant to the provisions of Section 174 of the BVI Act and Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 and Applicable Laws, if any, 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, (whether as per Books or as per Income Tax) 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.

(d) With effect from the Appointed Date, and subject to the provisions of this Scheme all the employees of the Undertaking of the Transferor Company shall stand transferred or deemed to have been transferred with all their accrued liabilities without any further act, instrument or deed of the Transferee Company, pursuant to



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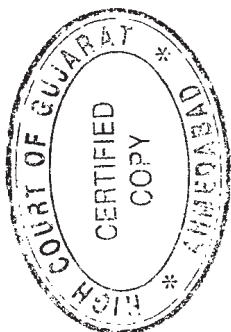
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the provisions of Section 174 of the BVI Act and Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 and other Applicable Laws, if any, so as to become as and from the Appointed Date, the employees of the Transferee Company and further that it shall not be necessary to obtain consent of any third party or other person, in order to give effect to the provisions of this clause.

(e) Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements including multi party arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme, the Transferee Company shall 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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(f) 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, all consents, permissions, licenses, certificates, clearances, authorities, leases, tenancy, assignments, allotments, powers of attorney given by, issued to or executed in favour of the Transferor Company, 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 permissions, etc. issued to or executed in favour of the Transferor Company in relation to the Undertaking shall stand transferred to the Transferee Company in which the Undertaking of the Transferor Company shall vest by way of the amalgamation 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 from the concerned Government Authorities and / or parties as may be necessary in this behalf and the Transferor Company shall cooperate and provide the required support wherever required.



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(g) 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 Undertaking, which the Transferor Company owns or to which the Transferor Company is a party and which can not be transferred to the Transferee Company for any reason whatsoever, the Transferor Company shall hold such asset in trust for the benefit of the Transferee Company in so far as it is permissible so to do, till such time as the transfer of such asset is effected in favour of the Transferee Company pursuant to this Scheme, and till such time the Transferee Company shall be entitled to utilise, operate and avail the same for the Undertaking without any consideration.

(h) Where any of the debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations of the Transferor Company as on the Appointed Date deemed to be transferred to the Transferee Company have been discharged by Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.

(i) All loans raised and used and all liabilities and obligations incurred by the Transferor Company for the operations of the Transferor Company after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Transferee Company in which the Undertaking shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Transferee Company and shall become the debts, liabilities, duties and obligations of the Transferee Company which shall meet discharge and satisfy the same.

(j) Without prejudice to clause (a) above, it is expressly provided that in respect of such assets belonging to the Undertaking of the Transferor Company as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company, and shall become the property of the Transferee Company in pursuance of the provisions of Section 174 of the BVI Act and Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 and other Applicable Laws, if any..

(k) 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 concerned Governmental Authority

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sanctioning the Scheme, the said debt, loan, advance, etc. be paid or made good or held on account of the Transferee Company as the person entitled thereto and that the right of the Transferor Company to recover or realize the same stands extinguished.

(l) 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 order of High Court of Gujarat, India having sanctioned the Scheme, 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 realize the same is in substitution of the right of the Transferor Company.

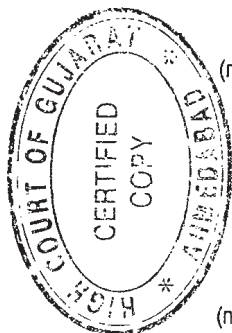
(m) With effect from the Appointed Date, the existing securities / charges created, if any, over its assets by the Transferor Company in favour of any banks or financial institutions shall continue as first and exclusive charge of any such banks or financial institutions securities over the assets (both movable and immovable) transferred to the Transferee Company upon amalgamation and the assets so secured shall be clearly identifiable and/or distinguishable.

(n) With effect from the Appointed Date, the existing securities created over its assets by the Transferee Company in favour of any banks or financial institutions shall continue as first and exclusive charge of any banks or financial institutions securities over the assets (both movable and immovable) of Transferee Company upon amalgamation and the assets so secured shall be clearly identifiable and/or distinguishable.

(o) Without prejudice to the provisions of the foregoing clauses and upon the effectiveness of this Scheme, the Transferor Company and the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and / or modification(s) of charge, with the relevant regulatory authority and Governmental Authorities to give formal effect to the above provisions, if required.

(p) It is expressly provided that no other term or condition of the liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

(q) Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of this clause shall operate, notwithstanding anything to the contrary contained in any



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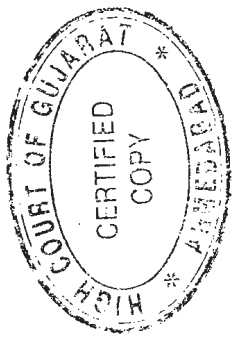
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instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall stand modified and / or superseded by the foregoing provisions.

(r) The transfer and/or vesting as aforesaid shall be subject to the existing charges, hypothecation and mortgages, if any, over or in respect of all the aforesaid assets or any part thereof of the Transferor Company.

Provided however, that any reference of any security documents or arrangements, to which the Transferor Company are a party, to the assets of the Transferor Company which it has offered or agreed to be offered as security for any financial assistance or obligations, to the secured creditors of the Transferor Company, shall be construed as reference only to the assets pertaining to the assets of the Transferor Company as are vested in the Transferee Company by virtue of the aforesaid clause, to the end and intent that such security, mortgage or charge shall not extend or be deemed to extend, to any of the assets or to any of the other units or divisions of the Transferee Company, unless specifically agreed to by the Transferee Company with such secured creditors and subject to the consents and approvals of the existing secured creditors of the Transferee Company.

Provided always that the Scheme shall not operate to enlarge the security of any loan, deposit or facility created by or available to the Transferor Company which shall vest in the Transferee Company by virtue of the Scheme and the Transferee Company shall not be obliged to create any further or additional security therefore after the Scheme has become effective or otherwise.



6. CONTRACTS, DEEDS AND OTHER INSTRUMENTS:

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(a) Subject to all the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefits of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be 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.

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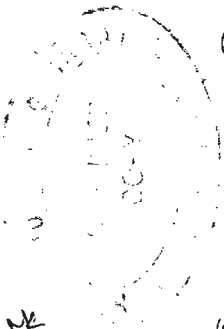
(b) The resolutions, if any, of the Transferor Company which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have upper monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then said limits shall be added and shall constitute the aggregate of the said limits in the Transferee Company.

7. LEGAL PROCEEDINGS:

(a) Upon coming into effect of this Scheme, all suits, claims, actions and/or proceedings by or against the Transferor Company, arising after the Appointed Date but before the Effective 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 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 and the Transferor Company and the Transferee Company shall co-operate with each other in respect of any such legal and other proceedings.

(c) Upon coming into effect of this Scheme, all suits, claims, actions and/or proceedings by or against the Transferor Company pending on or pertaining to the period prior to 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.



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8. OPERATIVE DATE OF THE SCHEME:

This Scheme though effective from the Appointed Date shall be operative from the Effective Date.

9. CONDUCT OF BUSINESS BY THE TRANSFEROR COMPANY TILL EFFECTIVE DATE:

With effect from the Appointed Date, and up to the Effective Date:

(a) The Transferor Company shall carry on and shall be deemed to have carried on all its business and activities as hitherto and shall be deemed to have held and stand possessed of the Undertaking on account of, and for the benefit of and in trust for the Transferee Company.



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(b) All the profits or incomes accruing or arising to the Transferor Company or expenditure or losses arising or incurred (including the effect of taxes, if any, thereon) of the Transferor Company shall, for all purposes be treated and be deemed to be and accrued as the profits or incomes or expenditure or losses or taxes of the Transferee Company, as the case may be.

(c) The Transferor Company shall carry on its business and activities with reasonable diligence, business prudence and shall not, alienate, charge, mortgage, encumber or otherwise deal with the said assets or any part thereof except in the ordinary course of business or if the same is expressly permitted by this Scheme or pursuant to any pre-existing obligation undertaken by the Transferor Company prior to the Appointed Date, except with prior written consent of the Transferee Company.

Provided that as far as the obligations referred as above are concerned, the restrictions thereunder shall be applicable from the date of the acceptance of the present Scheme by the Board of Directors of the Transferor Company and Transferee Company even if the same are prior to the Appointed Date.

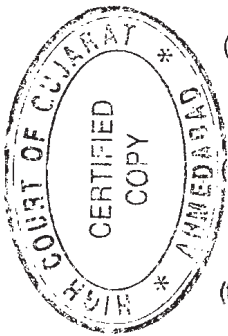
(d) The Transferor Company may not vary the terms and conditions and employment of permanent employees except in ordinary course of business.

(e) The Transferor Company shall not, without prior written consent of the Transferee Company, undertake any new business.

(f) The Transferor Company shall not, without prior written consent of the Transferee Company, take any major policy decisions in respect of management of the Company and for business of the Company and shall not change its present Capital Structure.

(g) The Transferor Company and the Transferee Company shall co-operate with each other for smooth transfer of the Undertaking from the Transferor Company to the Transferee Company and any directors of the Transferor Company and any director of the Transferee Company shall be empowered to give effect to the scheme in all aspects as may be necessary or expedient including settling any question or difficulties arising in relation to the Scheme in such manner as they deem fit to attain the objectives of this Scheme and their decision in this regard shall be final and binding.

(h) It is hereby agreed and clarified that whenever under this Scheme, the approval of the Transferor Company is required to be obtained, the directors of the BVI company will act by resolution of directors



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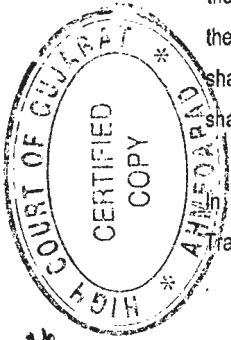


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and whenever under this Scheme, the approval of the Transferee Company is required to be obtained, it shall be the approval of any one of the directors of the Transferee Company.

10. CONSIDERATION BY THE TRANSFEE COMPANY:

The Transferor Company is a wholly owned subsidiary of the Transferee Company i.e. the only shareholder of the Transferor Company is the Transferee Company. The Scheme is intended to restructure activities of the Transferor Company 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 the Transferee Company, the Transferee Company cannot issue shares to shareholder of the Transferor Company being the Transferee Company itself, 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 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 consideration shall be payable by the Transferee Company under the Scheme.



so far as the equity shares or preference shares or debentures of the Transferor Company held by the Transferee Company on the Effective Date are concerned, such shares or debentures would be cancelled.

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11. ACCOUNTING TREATMENTS OF ASSETS, LIABILITIES AND RESERVES AND SURPLUS OF THE TRANSFEROR COMPANY IN THE BOOKS OF THE TRANSFEE COMPANY:

(a) Recognising that the amalgamation is to be considered as an "amalgamation in nature of merger" in accordance with the provisions of paragraph 29 of Accounting Standard 14 - "Accounting for Amalgamations" (AS - 14) specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014), the accounting treatment in respect of assets, liabilities and reserves and surplus of the Transferor Company in the books of the Transferee Company shall be governed by, the provisions of AS-14, "the Pooling of Interests Method". Accordingly, all the assets and liabilities of the Transferor Company shall be recorded at their existing carrying amounts and in the same form as at the Appointed Date in the books of the Transferee Company.



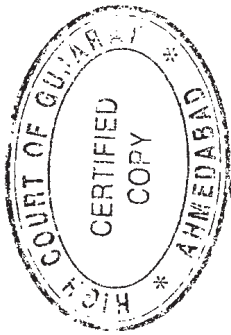
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- (b) All assets, liabilities, Equity share capital, Preference share capital, share application money pending allotment and reserves and surplus of the Transferor Company as at the Appointed Date would be converted into Indian Currency at the exchange rates of currency existing as on the Appointed Date.
- (c) The Equity Share Capital, Preference Share Capital, share application money pending allotment and securities / share premium account of the Transferor Company and the carrying value of investment in Equity Shares, Preference Shares and share application money of the Transferor Company in the books of the Transferee Company shall be cancelled and the difference, if any, shall be credited or debited, as the case may be, in the Capital Reserve of the Transferee Company.
- (d) As on the Appointed Date, the balance lying to the credit/debit of the Statement of Profit and Loss in the books of the Transferor Company shall be credited/debited by the Transferee Company to the balance of its Statement of Profit and Loss and shall constitute (or reduce, as the case may be) the Transferee Company's balance in Statement of Profit and Loss as effectively as if the same were created by the Transferee Company and credited (or debited, as the case may be) by the Transferee Company out of its own earned and distributable profits.
- (e) In case of any difference in accounting policies of the Transferor Company and Transferee Company, the impact of the same, till the Appointed Date will be quantified and the same shall be appropriately adjusted and reported in accordance with applicable Accounting Standards so as to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policies.
- (f) Upon coming into effect of this Scheme, to the extent that there are inter- company loans, advances, deposits, balances or other obligations as between the Transferor Company and the Transferee Company, all the rights and obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of account and records of the Transferee Company.



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12. TRANSFEROR COMPANY'S EMPLOYEES:

On the Scheme taking effect as aforesaid, all officers and employees of the Transferor Company, as identified by the Transferor Company and in employment on the Effective Date, shall become the officers and employees of the

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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 the Transferee Company.

13. DISSOLUTION OF THE COMPANY:

The Transferor Company shall be dissolved as per the BVI Act and any other Applicable laws in BVI.

14. TAX CREDIT / DUTIES / CESS ETC.:

If the Transferor Company is entitled to any benefits under Incentive Schemes and Policies it is declared that the benefits under all such Incentive Schemes and Policies shall be transferred to and vested in the Transferee Company, to the extent permitted under Applicable Laws.

Upon this Scheme 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, to the extent permitted under Applicable Laws.

15. APPLICATION TO THE HIGH COURT AND GOVERNMENTAL AUTHORITY:

The Transferor Company shall follow the procedures prescribed by the BVI Act in connection with the merger and the Transferee Company shall make all applications/petitions under Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Act and Applicable Laws to the High Court and the Governmental Authority, as applicable, for sanctioning of this Scheme for carrying this Scheme into effect and obtain all approvals as may be required under law.

16. MODIFICATIONS, AMENDMENTS TO THE SCHEME:

The Transferor Company (by its directors) and Transferee Company (by its directors) may assent from time to time on behalf of all persons concerned to any modifications or amendments or addition to this Scheme or to any conditions or limitations which the respective Hon'ble High Court of Gujarat or such other Courts and Governmental Authority and the Registrar of Corporate Affairs and such other authorities of BVI or any authorities under the Applicable Laws may deem fit to approve of or impose



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and to resolve any doubt or difficulties (including ascertainment of assets and liabilities of the Transferor Company) that may arise for carrying out this Scheme and to do and execute all such acts, deeds, matters and things as may be necessary, desirable or proper for carrying the Scheme into effect.

For the purpose of giving effect of this Scheme or to any modifications or amendments, thereof, the directors of the Transferor Company and 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 in future to settle any of the difficulties or to implement the provisions of this Scheme smoothly and hassle free manner, if such need arises and for all purposes the Effective Date for such subsequent modified scheme shall be the same as specified in this Scheme.

17. SEVERABILITY:

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

18. SCHEME CONDITIONAL UPON APPROVALS/SANCTIONS:

This Scheme is specifically conditional upon and subject to:

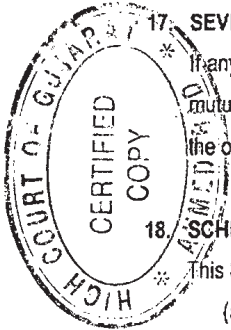
- (a) The approval of and agreement to the Scheme, under Act and Rules, by the requisite majorities of such classes of persons, members and creditors of the Transferor Company and the Transferee Company as may be prescribed under the BVI Act in connection with the merger and Hon'ble High Court of Gujarat or other concerned Governmental Authorities in India on the applications made for directions under Sections 391 to 394 of the said Act for calling meetings or otherwise and necessary resolutions being passed / consents obtained under the Applicable Laws for the purpose.
- (b) The sanctions of the Hon'ble High Court of Gujarat being obtained under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 or any other Governmental Authorities for the Transferee Company and such laws as applicable in BVI, if so required on behalf of the Transferor Company and the Transferee Company.



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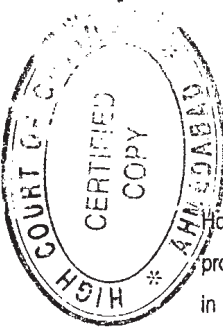
- (c) The certified copies of the High Court orders referred to in this Scheme being filed with the Registrar of Companies, Ahmedabad, Gujarat, as applicable and such other applicable authorities at BVI, if required.
- (d) The decision of the board of directors of the Companies with respect to approval and/or filing whether required or not with the Governmental Authorities shall be final and binding.

19. EFFECTIVE DATE OF THE SCHEME:

This Scheme although to come into operation from Appointed Date shall not come into effect until the last of the following dates 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 sections 391 and 394 of the Act are duly filed with the Registrar of Companies, Ahmedabad, Gujarat, and the such other applicable authorities at, BVI, if so required, and such date shall be referred to as Effective Date for the purpose of the Scheme.



However the Effective Date shall not be affected by any of the modifications that might be required to be made as provided under clause 16 and 18 and the Effective Date for such modified scheme 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 shall take effect from the Appointed Date despite the Scheme becoming effective from Effective Date under the relevant laws.

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20. 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. 18 above not being obtained and/or the Scheme not being sanctioned by the Hon'ble High Court or the Registrar of Corporate Affairs, BVI or any other Concerned Governmental Authorities in BVI and/or the Order(s) not being passed or sanctions not being granted as aforesaid before 31st March, 2016 or within such further period(s) as may be agreed upon from time to time by the Transferor Company (by its Directors) and the Transferee company (by its Directors), and the Board of the Directors of the Transferor Company and the Transferee company 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 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



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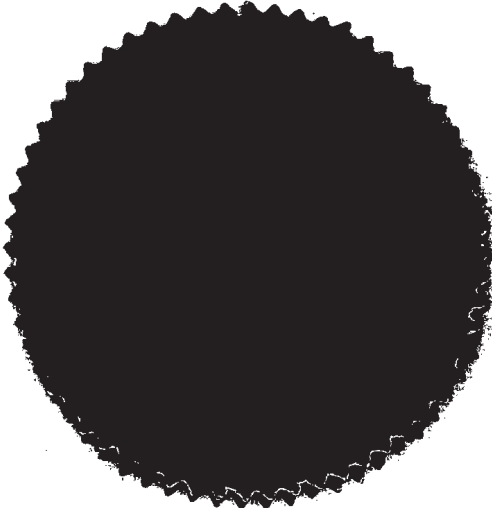
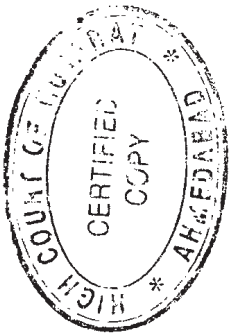
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and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in this scheme and /or otherwise arise as per Law.

21. EXPENSES CONNECTED WITH THE SCHEME:

All costs, charges and expenses, including any taxes and duties of the Transferor Company and the Transferee Company respectively in relation to or in connection with this Scheme and incidental to the completion of the amalgamation of the Transferor Company in pursuance of this scheme shall be borne respectively by the Transferor Company and by the Transferee Company for their respectively jurisdiction.

In view of para 14 of the order dated 30th July, 2015 passed by the Honourable Court (Coram: Honourable Mr. Justice Vipul M. Pancholi) in Company Petition No.211 of 2015 the scheme is hereby authenticated.



[Signature]
Registrar (Judicial)

This 4th day of August, 2015

[Signature]
31/8/15
[Signature]
31/8/15
[Signature]
04/8/15
CG & Proprietor

[Signature]
04/8/15
Sealer and Deputy Registrar

This 4th day of August, 2015

TRUE COPY

[Signature]
ASSISTANT REGISTRAR
THIS 4 DAY OF

01/8/15

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



CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION PASSED BY THE MEMBERS OF SUN PHARMACEUTICAL INDUSTRIES LIMITED AT THE TWENTY FOURTH ANNUAL GENERAL MEETING HELD ON SEPTEMBER 17, 2016

Item No. 14

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 (“the Act”) read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and subject to the necessary approvals, from the Registrar of Companies, and such other approvals by appropriate statutory authorities, as may be necessary, the existing Articles of Association of the Company be and is hereby replaced with a new set of Articles of Association, and the new set of Articles of Association be and is hereby approved and adopted as the Articles of Association of the Company in place of and in substitution of the existing Articles of Association of the Company with effect from the date of this 24th Annual General Meeting.

RESOLVED FURTHER THAT any of the Directors of the Company or the Company Secretary or the Compliance Officer or such other person as authorized by the Board, be and is hereby authorized to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

For Sun Pharmaceutical Industries Limited


Sunil Ajmera
Company Secretary



SPIL/AGM/17.09.2016/12

Scheme of Arrangement for
Amalgamation of

Sun Pharma Medisales Private Limited,
Ranbaxy Drugs Limited,
Gufic Pharma Limited,
and
Vidyut Investments Limited

into

Sun Pharmaceutical Industries Limited

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6.9.17

**NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH
AHMEDABAD**

**CP (CAA) No. 65/NCLT/AHM/2017
With CA (CAA) No. 22/NCLT/AHM/2017**

Coram:

**Present: Hon'ble Mr. BIKKI RAVEENDRA BABU
MEMBER JUDICIAL**

**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF AHMEDABAD
BENCH OF THE NATIONAL COMPANY LAW TRIBUNAL ON 11.08.2017**

Name of the Company: Sun Pharma Medisales Pvt Ltd. & Others
(Joint Application)

Section of the Companies Act: Section 230-232 of the Companies Act, 2013

<u>S.NO.</u>	<u>NAME (CAPITAL LETTERS)</u>	<u>DESIGNATION</u>	<u>REPRESENTATION</u>	<u>SIGNATURE</u>
1.	MONAAL J. DAVAWALA for MRS. SWATI SOPARKAR	ADVOCATE	PETITIONER	<u>Monaal</u>
2.				

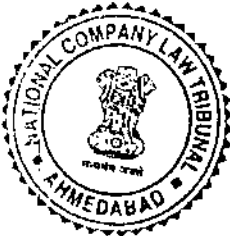
ORDER

Learned Advocate Mr. Monaal Davawala i/b Learned Advocate Mrs. Swati Soparkar present for Petitioners.

Order pronounced in open Court. Vide separate sheet.



**BIKKI RAVEENDRA BABU
MEMBER JUDICIAL**

Dated this the 11th day of August, 2017.



Certified as True Copy of Original

Date: 6/9/17
Place: Ahmedabad


**Asstt. Registrar
NCLT Ahmedabad Bench
Ahmedabad**

**IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH**

CP(CAA) No.65/NCLT/AHM/2017

In the matter of :-

1. Sun Pharma Medisales Private Limited
(CIN: U36996GJ2016PTC093861),
A company incorporated under the
Provisions of the Companies Act, 2013
and having its registered office at SPARC,
Tandalja, Vadodara- 390 020,
In the state of Gujarat. ... Petitioner Transferor Company-1
2. Ranbaxy Drugs Limited
(CIN: U24232GJ1984PLC095288)
A company incorporated under the
Provisions of the Companies Act, 1956
and having its registered office at SPARC,
Tandalja, Vadodara- 390 020,
In the state of Gujarat. ... Petitioner Transferor Company-2
3. Gufic Pharma Limited
(CIN:U24231GJ1983PLC006323)
A company incorporated under the
provisions of the Companies Act,
1956 and having its registered
Office at G-7-8-9, Metro Commercial
Centre, Ashram Road,
Ahmedabad - 380 009,
In the state of Gujarat. ... Petitioner Transferor Company-3
4. Vidyut Investments Limited
(CIN: U67120GH1988PLC95186)
A company incorporated under the
Provisions of the Companies Act, 1956
and having its registered office at SPARC,
Tandalja, Vadodara- 390 020,
In the state of Gujarat. ... Petitioner Transferor Company-4

And

Sun Pharmaceutical Industries Limited
(CIN: L24230GJ1993PLC019050)
A company incorporated under the
Provisions of the Companies Act, 1956
and having its registered office at SPARC,
Tandalja, Vadodara- 390 020,
In the state of Gujarat. ... Petitioner Transferee Company



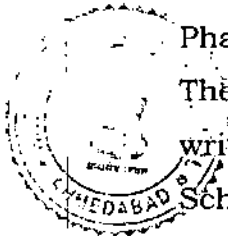
Order delivered on 11th August, 2017**Coram: Hon'ble Sri Bikki Raveendra Babu, Member (J)****Appearance:**

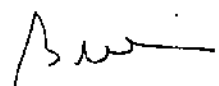
Mrs. Swati Soparkar, Advocate for the Petitioner Companies.

ORDER

1. This is a joint petition filed by five companies under Section 230 and 232 of the Companies Act, 2013 seeking sanction of this Tribunal to a Composite Scheme of Arrangement in the nature of Amalgamation of four Transferor Companies viz. Sun Pharma Medisales Private Limited, Ranbaxy Drugs Limited, Gufic Pharma Limited and Vidyut Investments Limited with Sun Pharmaceutical Industries Limited, the petitioner Transferee Company ("Scheme" for short).

2. The said petitioner companies had filed the proceedings before this Tribunal in form of joint application being C A (CAA) No. 22 of 2017. So far as the Transferor Companies are concerned, the said application sought dispensation of meetings of the Equity Shareholders and Preference Shareholders of all the four Transferor Companies and Unsecured Creditors of three Transferor Companies. The first Transferor Company viz. Sun Pharma Medisales Private Limited sought directions to convene a meeting of the unsecured creditors of the said Transferor Company. It was submitted that all the four Transferor Companies were Wholly Owned Subsidiaries of Sun Pharmaceutical Industries Limited, the Transferee Company. The said Transferee Company and its nominees had submitted written consent letters on affidavit approving the proposed Scheme. It was also submitted that there were no Secured Creditors of any of the Transferor Companies and no unsecured



 Page 2 | 8

creditors except the first Transferor Company. Hence, Vide the orders dated 18th April 2017 and 28th April 2017, the meetings of the shareholders of all the Transferor Companies were dispensed with and this Tribunal directed Sun Pharma Medisales Private Limited, the first Transferor company to convene and hold a meeting of its Unsecured Creditors to consider and, if thought appropriate, approve with or without modifications, the proposed Scheme of Arrangement.

3. So far as the Transferee Company was concerned, it was submitted that it is a listed public limited company and it had obtained the requisite prior approval from the Securities and Exchange Board of India through the concerned Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited. The Transferee Company had placed on record the written consent on affidavit from all its Secured Creditors. Vide the orders dated 18th April 2017 and 28th April 2017, this Tribunal dispensed with the meeting of the Secured Creditors of the Transferee Company and further directed the Transferee company to convene and hold separate meetings of Equity Shareholders and Unsecured Creditors of the Transferee Company to consider and, if thought appropriate, approve with or without modifications, the proposed Scheme of Arrangement.

4. Pursuant to the directions of this Tribunal, notices of the meetings were sent individually to all the Equity Shareholders, and Unsecured Creditors of the Transferee Company as well as unsecured creditors of the first Transferor Company; together with a copy of the Scheme of Arrangement and the Explanatory Statement as well as all other required disclosures. The notice convening the meetings were also advertised in Ahmedabad editions of English daily 'Indian Express' and Gujarati daily 'Sandesh' on 17th May 2017. Affidavits dated 7th June 2017 were filed on 9th June 2017 by the respective Chairman of the meetings confirming the compliance of the directions. The

aforesaid meetings were duly convened and held on the 20th June 2017 and the respective Chairman of the meetings reported the result of the said meetings to this Tribunal vide affidavits dated 20th June and 24th June 2017, filed on 27th June 2017. A perusal of the same confirms the unanimous approval of the proposed Scheme by the Unsecured Creditors of the Transferor Company, remained present and cast valid votes at the said meeting. In case of the Transferee Company, the proposed Scheme was approved by requisite majority of the Shareholders, casting their votes either through Postal Ballot, remote e-voting as well as casting valid votes at the meeting. The Scheme was approved by requisite majority by the Unsecured Creditors of the Transferee Company, remained present and cast valid votes.

5. Vide the aforesaid order dated 18th April 2017, the petitioner companies were also directed to serve Notice of the Scheme to the Regulatory Authorities-viz. (i) Central Govt. through the Regional Director, North-Western Region, (ii) Registrar of Companies, Gujarat, (iii) concerned Income Tax Authorities; for the Transferee Company only (iv) the Securities and Exchange Board of India, (v) the BSE Limited and (vi) National Stock Exchange of India Limited; and for the Transferor Companies only (vii) Official Liquidator along with Notice, Explanatory Statement and other requisite documents and disclosures. The notices were duly served on all the authorities on or before 19th May 2017. Affidavit dated 7th June 2017 confirming the compliance of the said directions for service of Notice on all the above Regulatory Authorities along with the acknowledgments for the same was filed with this Tribunal on 9th June 2017. In response to the said notice, a representation dated 22nd June 2017 was received from the Regional Director, Western Region and representations dated 19th July 2017 were received from the Official Liquidator. No other representation was received from any other regulatory authority.



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6. The present petition was filed on 4th July 2017 and the same was admitted on 19th July 2017. The date of hearing was fixed as 9th August 2017. Directions were issued to publish notice of hearing of the petition in the newspapers viz. English daily, Indian Express and Gujarati daily, Sandesh at least before 10 days of the date of hearing of the petition. Further directions were also issued to serve notice of hearing of the petition to the statutory authorities viz. (i) Central Govt. through Regional Director- North Western Region, and (ii) Official Liquidator (in respect of the Transferor Companies), at least before 10 days of the date of hearing of the petition.

7. Pursuant to the said directions, notices were duly served by the petitioner companies on the statutory authorities on 25th July 2017 and publications were duly made in the newspapers on 26th July 2017. An affidavit of service and publication dated 26th July 2017 confirming the same has been placed on record on 31st July 2017.

8. Heard Mrs. Swati Soparkar, learned advocate appearing for the petitioner companies. It has been submitted that representation in form of a common affidavit dated 22nd June 2017 has been received from the Regional Director. The said representation contains no adverse observations with regard to the modifications or the modified scheme. Vide Para 2 (a), (b) and (d) it confirms the receipt of notice, nature of proposal, and absence of consideration as all the Transferor Companies are the Wholly Owned Subsidiaries of the Transferee Company. Vide para 2 (e) it is pointed out that Registrar of Companies has confirmed that there are no complaints against any of the petitioner companies. The Regional Director vide para 2 (f) has confirmed that he has no other observation/submission and that the proposed Scheme of Arrangement is not prejudicial to the interest of shareholders of the Petitioner Companies and the public at large. Vide para 2 (c) it is pointed out that the Transferee

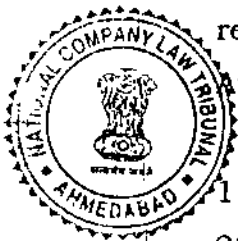


Company being a listed company be directed to comply with the SEBI guidelines. Accordingly, the Transferee Company is hereby directed to comply with applicable SEBI guidelines.

9. In response to the notice of the petition served upon the Office of the Official Liquidator for the Transferor companies, representation dated 19th July 2017 has been filed by the Official Liquidator. After referring to the proposals of the Scheme, it has been observed by the Official Liquidator that the affairs of the Transferor Companies have been conducted within their respective object clause and the same have not been conducted in any manner prejudicial to the interest of its members or public interest, hence the petitioner transferor companies may be dissolved without following the process of winding up. However, the Official Liquidator has sought directions to be issued to preserve the books of accounts, papers and records and not to dispose of the same without prior permission of the Central Govt. as per the provisions of Section 239 of the Companies Act, 2013. Accordingly, the Transferee Company is hereby directed to preserve the books of accounts, papers and records of the Transferor Companies and not to dispose of the same without prior permission of the Central Govt. as required under section 239 of the Companies Act, 2013. It is hereby further directed that even after the scheme is sanctioned, the Transferor companies shall comply with all the applicable provisions of law and shall not be absolved from any of their statutory liability.

10. Since there are no adverse observations from the aforesaid authorities, the petitioners have chosen not to file any reply. No representation has been received from any other Regulatory Authority.

11. In compliance with the proviso to sub-section (7) of Section 230, the petitioner companies have placed on record the certificates of Chartered Accountant dated 16th December 2016,



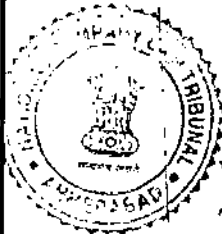
confirming that the accounting treatment envisaged under the Scheme of Arrangement is in compliance with the applicable Accounting Standards notified by Central Govt. in section 133 of the Companies Act, 2013. The same have been placed on record as Annexure-'O' to the present petition.

12. Considering the entire facts and circumstances of the case and on perusal of the Scheme and the documents produced on record, it appears that all the requirements of section 230 and 232 of the Companies Act, 2013 are satisfied. The proposed Scheme of Arrangement appears to be genuine and *bona fide* and in the interest of the shareholders and creditors as well as in the public interest and the same deserves to be sanctioned.

13. In the result, this petition is allowed. The Scheme, which is at Annexure- 'K' to the petition, is hereby sanctioned and it is declared that the same shall be binding on the petitioner companies, their shareholders, creditors and all concerned under the scheme. It is also declared that the Transferor Companies viz. Sun Pharma Medisales Private Limited, Ranbaxy Drugs Limited, Gufic Pharma Limited and Vidyut Investments Limited shall stand dissolved without winding up.

14. The fees of the Official Liquidator is quantified at Rs. 10,000/-each only in respect of the Transferor Companies. The said fees to the Official Liquidator shall be paid by the Transferee Company.

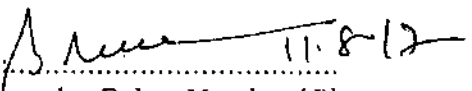
15. Filing and issuance of drawn up order is hereby dispensed with. All concerned authorities to act on a copy of this order along with the scheme duly authenticated by the Registrar of this Tribunal. The Registrar of this Tribunal shall issue the authenticated copy of this order along with Scheme immediately.



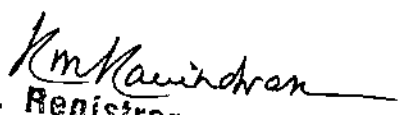
16. The petitioner companies are further directed to lodge a copy of this order, the schedule of immovable assets of the Transferor companies as on the date of this order and the Scheme duly authenticated by the Registrar of this Tribunal, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty, if any, on the same within 60 days from the date of the order.

17. The Petitioner companies are directed to file a copy of this order along with a copy of the Scheme with the concerned Registrar of Companies, electronically, along with INC-28 in addition to physical copy as per relevant provisions of the Act.

18. This petition is disposed of accordingly.

Signature:  11.8.17
[Bikki Raveendra Babu, Member (J)]



Certified as True Copy of Original
for  Registrar
Date: 6/9/17 NCLT Ahmedabad Bench
Place: Ahmedabad Ahmedabad

SCHEME OF ARRANGEMENT

AMONG

**SUN PHARMA MEDISALES PRIVATE LIMITED
("TRANSFEROR COMPANY 1")**

**RANBAXY DRUGS LIMITED
("TRANSFEROR COMPANY 2")**

**GUFIC PHARMA LIMITED
("TRANSFEROR COMPANY 3")**

**VIDYUT INVESTMENTS LIMITED
("TRANSFEROR COMPANY 4")**

AND

**SUN PHARMACEUTICAL INDUSTRIES LIMITED
("TRANSFEREE COMPANY")**

AND

THEIR RESPECTIVE MEMBERS AND CREDITORS

**UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956 AND
APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013**

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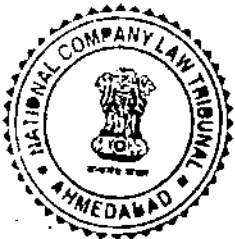
This Scheme of Arrangement is presented:

1. PREAMBLE

1.1. This Scheme of Arrangement provides for the amalgamation of Sun Pharma Medisales Private Limited (Company Registration Number: 093861 and Corporate Identification Number: U36996GJ2016PTC093861) (referred to as "Transferor Company 1"), Ranbaxy Drugs Limited (Company Registration Number: 285198 and Corporate Identification Number: U24232MH1984PLC285198) (referred to as "Transferor Company 2"), Gufic Pharma Limited (Company Registration Number: 006323 and Corporate Identification Number: U24231GJ1983PLC006323) (referred to as "Transferor Company 3") and Vidyut Investments Limited (Company Registration Number: 008444 and Corporate Identification Number: U67120PB1988PLC008444) (referred to as "Transferor Company 4") with Sun Pharmaceutical Industries Limited (Company Registration Number: 04-19050 and Corporate Identification Number: L24230GJ1993PLC019050) (referred to as "Transferee Company") pursuant to provisions of the sections 391 to 394 of the Companies Act, 1956 and the applicable provisions of the Companies Act, 2013.

1.2. Description of Companies

- (a) The Transferor Company 1: Sun Pharma Medisales Private Limited is a company incorporated under the provisions of the Act and presently having its registered office at SPARC, Tandalja, Vadodara - 390020, Gujarat, India. The Transferor Company 1 came into existence by conversion of a partnership firm in the name and style of "Solrex Pharmaceuticals Company" as a company in the name and style of Sun Pharma Medisales Private Limited on September 23, 2016 under the provisions of Part I of Chapter XXI of the Companies Act, 2013 with its running business activities. The main object of the Transferor Company 1 is to engage in manufacturing and trading in pharmaceutical products, chemicals, hospital supplies, healthcare and diagnostics products and other ancillary and incidental business activities. The entire paid-up share capital of the Transferor Company 1 is held by the wholly-owned subsidiaries of the Transferee Company including the Transferor Company 2, the Transferor Company 3 and the Transferor Company 4.
- (b) The Transferor Company 2: Ranbaxy Drugs Limited is a company incorporated under the provisions of the Act and presently having its registered office at Sun House, Plot No. 201 B/1, Western Express Highway, Goregaon (East), Mumbai - 400 063, Maharashtra, India. The Transferor Company 2 is an unlisted public limited which was originally incorporated on January 31, 1984 under the provisions of the Act by the name and style of Ranbaxy Drugs Private Limited as per the certificate of registration issued by the Registrar of Companies, Punjab, H.P. & Chandigarh. Consequent upon its conversion into a limited company, its name was changed to Ranbaxy Drugs Limited on September 9, 1987. The registered office of the Transferor Company 2 was changed from the State of Punjab to the State of Maharashtra on August 26, 2016. Further the registered office of the Transferor Company



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2 is in the process of being shifted from Sun House, Plot No. 201 B/1, Western Express Highway, Goregaon (East), Mumbai - 400 063, in the state of Maharashtra to SPARC, Tandajja, Vadodara - 390020 in the State of Gujarat, for which the approval from the Central Government is awaited. The main object of the Transferor Company 2 is to engage in manufacturing and dealing in pharmaceutical products, chemicals, hospital supplies, healthcare and diagnostics products and other ancillary and incidental business activities. The entire paid-up share capital of the Transferor Company 2 is beneficially held by the Transferee Company.

(c) **The Transferor Company 3:** Gufic Pharma Limited is a company incorporated under the provisions of the Act and presently having its registered office at G-7-8-9, Metro Commercial Centre, Ashram Road, Ahmedabad - 380009, Gujarat, India. The Transferor Company 3 is an unlisted public limited company which was originally incorporated on June 25, 1983 under the provisions of the Act by the name and style of Gufic Pharma Private Limited as per the certificate of registration issued by the Registrar of Companies, Gujarat. Consequent upon its conversion into a deemed public limited company, its name was changed to Gufic Pharma Limited on July 5, 1995. The main object of the Transferor Company 3 is to engage in the manufacturing and dealing in pharmaceutical products, chemicals, hospital supplies, healthcare and diagnostics products and other ancillary and incidental business activities. The Transferor Company 3 holds certain trademarks which are licensed to the Transferee Company. The entire paid-up share capital of the Transferor Company 3 is beneficially held by the Transferee Company and the Transferor Company 2.

(d) **The Transferor Company 4:** Vidyut Investments Limited is a company incorporated under the provisions of the Act and presently having its registered office at A-41, Industrial Area, Phase VIII-A, SAS Nagar, Mohali - 160071, Punjab, India. The Transferor Company 4 is an unlisted public limited company which was originally incorporated on June 1, 1988 under the provisions of the Act as per the certificate of registration issued by the Registrar of Companies, Punjab, H.P. & Chandigarh. It was also registered as a Non Banking Financial Institution vide certificate of registration No. 06.00114 dated May 8, 1988 issued by RBI ("NBFC Registration"). It voluntarily surrendered and applied for the cancellation of NBFC Registration vide letter dated August 3, 2007. RBI vide its order dated December 7, 2007 had cancelled the NBFC Registration. The registered office of the Transferor Company 4 is in the process of being shifted from A-41, Industrial Area, Phase VIII-A, SAS Nagar, Mohali - 160071 in the state of Punjab to SPARC, Tandajja, Vadodara - 390020 in the State of Gujarat, for which the approval from the Central Government is awaited. The main object of the Transferor Company 4 is to engage in the business of hire purchase, general finance, housing finance, investment and leasing and to provide an advisory/consultancy services for leasing, hire purchase, finance and investment and other ancillary and incidental business activities. However, at present, it is not engaged into any of these activities. The entire paid-up share capital of the Transferor Company 4 is beneficially held by the Transferee Company.

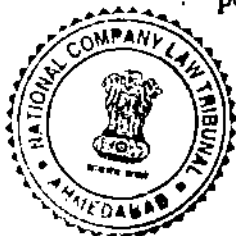


- (e) **The Transferee Company:** Sun Pharmaceutical Industries Limited is a company incorporated under the provisions of the Act and presently having its registered office at SPARC, Tandalja, Vadodara - 390020, Gujarat, India. The Transferee Company came into existence by conversion of a partnership 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. The main object of the Transferee Company is to engage in the business of development, manufacture, marketing, sale, trading and export of various generic drug formulations and the manufacture of drugs and pharmaceutical products. The equity shares of the Transferee Company are listed on the Stock Exchanges.

1.3. Rationale for the Scheme

All Transferor Companies are directly or indirectly wholly-owned subsidiaries of the Transferee Company. In order to consolidate and effectively manage the Transferor Companies and the Transferee Company in a single entity, which will provide several benefits including synergy, economies of scale, attain efficiencies and cost competitiveness, it is intended that the Transferor Companies be amalgamated with Transferee Company. The amalgamation of Transferor Companies with Transferee Company would *inter alia* have the following benefits:

- (a) The amalgamation will lead to greater efficiency in overall combined business including economies of scale, efficiency of operations, cash flow management and unfettered access to cash flow generated by the combined business which can be deployed more efficiently for the purpose of development of businesses of the combined entity and their growth opportunities, eliminate inter corporate dependencies, minimize the administrative compliances and to maximize shareholders value.
- (b) The amalgamation will provide for more productive and optimum utilization of various resources by pooling of the managerial, technical and financial resources of the Transferor Companies and the Transferee Company which will fuel the growth of the business and help effectively address the ever growing competition.
- (c) The amalgamation will result in economy of scales, reduction in overheads including administrative, managerial and other expenditure, operational rationalization, organizational efficiency and optimal utilization of resources by elimination of unnecessary duplication of activities and related costs.
- (d) The amalgamation will result in a reduction in the multiplicity of legal and regulatory compliances required at present to be separately carried out by the Transferor Companies and the Transferee Company.
- (e) The amalgamation would motivate employees of the Transferor Companies by providing better opportunities to scale up their performance with a larger corporate entity having large revenue base, resources, asset base etc. which will boost employee morale and provide impetus to better corporate performance ultimately enhancing overall shareholder value.



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- (f) The Transferor Companies and Transferee Company intend to / can achieve larger product portfolio, economies of scale, efficiency, optimisation of logistic and distribution network and other related economies by consolidating the business operations being managed by different management teams.

1.4. In view of the aforesaid, the board of directors of the Transferor Companies and the Transferee Company have considered and proposed the amalgamation for the transfer and vesting of the Undertakings of the Transferor Companies (as defined hereunder) and business of the Transferor Companies with and into the Transferee Company and other matters herein, with an opinion that the amalgamation and other provisions of the Scheme would benefit the shareholders, employees and other stakeholders of the Transferor Companies and the Transferee Company.

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

- (a) the amalgamation of the Transferor Companies with the Transferee Company; and
- (b) various other matters consequential or otherwise integrally connected herewith;

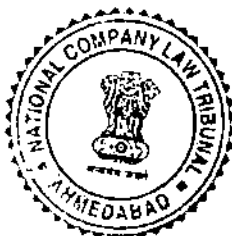
pursuant to Sections 391 to 394 of the Companies Act, 1956 and such other applicable provisions of the Companies Act, 2013, as may be notified from time to time in the manner provided for in this Scheme.

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

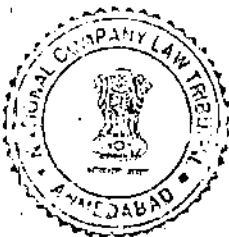
1.7. Definitions

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

- (a) 'Act' means the Companies Act, 1956 and/or the Companies Act, 2013 as in force from time to time; it being clarified that as on the date of approval of this Scheme by the Boards of Directors of the Transferor Companies and the Transferee Company, Sections 391 and 394 of the Companies Act, 1956 continue to be in force with the corresponding provisions of the Companies Act, 2013 not having been notified. Accordingly, references in this Scheme to particular provisions of the Act are references to particular provisions of the Companies Act, 1956 unless reference to the provisions of the Companies Act, 2013 are specifically referred to. Upon such provisions standing re-enacted by enforcement of provisions of the Companies Act, 2013, such references shall, unless a different intention appears, be construed as referenced to the provisions so re-enacted;



- (b) **'Applicable Laws'** shall mean 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 including any modifications or re-enactment thereof for the time being in force;
- (c) **'Appointed Date'** means the 1st day of April, 2017 or such other date as may be agreed between the Transferor Companies and the Transferee Company and approved by the High Court(s) and is the date with effect from which the Scheme shall upon receipt of requisite approvals, be deemed to be operative;
- (d) **'Board of Directors'** means the board of directors of the Transferor Companies or Transferee Company, as the case may be, and shall include a duly constituted committee thereof;
- (e) **'Effective Date'** means the last of the dates on which the conditions referred to in Clause 19 of this Scheme have been fulfilled. All references in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" or "Scheme taking effect" shall mean the Effective Date;
- (f) **'Governmental Authority'** means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction including Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies, Regional Directors, Foreign Investment Promotion Board, Reserve Bank of India and other government and regulatory authorities of India in each case;
- (g) **'High Court'** means the Hon'ble High Court of Gujarat having jurisdiction in relation to the Transferee Company and the Transferor Companies and shall, if applicable, include the National Company Law Tribunal, subject to approval of change of situation of registered office of Transferor Company 2 and Transferor Company 4 as referred to in Clause 1.2 (b) and Clause 1.2 (d) respectively.
- (h) **'Scheme'** or **'Scheme of Arrangement'** means this Scheme of Arrangement in its present form or with any modifications, approved or imposed or directed by the Board of Directors of the Transferor Companies and the Transferee Company or by the members or creditors and/or by the High Court(s) or any other relevant authority including any Governmental Authority;
- (i) **'Stock Exchanges'** means National Stock Exchange of India Limited and the BSE Limited;



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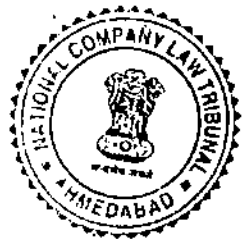
- (j) **'Transferor Company 1'** shall have the same meaning as ascribed to it in Clause 1.1 above;
- (k) **'Transferor Company 2'** shall have the same meaning as ascribed to it in Clause 1.1 above
- (l) **'Transferor Company 3'** shall have the same meaning as ascribed to it in Clause 1.1 above
- (m) **'Transferor Company 4'** shall have the same meaning as ascribed to it in Clause 1.1 above
- (n) **'Transferor Companies'** shall mean collectively the Transferor Company 1, the Transferor Company 2, the Transferor Company 3 and the Transferor Company 4.
- (o) **'Transferee Company'** shall have the same meaning as ascribed to it in Clause 1.1 above;
- (p) **'Undertakings of the Transferor Companies'** shall mean the entire business and the whole of the undertakings of the Transferor Companies as a going concern, all its assets, rights, licenses and powers, and all its debts, outstandings, liabilities, duties, obligations and employees as on the Appointed Date including, but not limited to, the following:
 - (i) All the assets and properties (whether moveable or immoveable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent) of the Transferor Companies, whether situated in India or abroad, including, but not limited to manufacturing facilities, laboratories, land (whether leasehold or freehold), processing plants, plant and machinery, computers, equipment, buildings and structures, offices, residential and other premises, diesel generator sets, stock-in-trade, packing material, raw materials, formulations, tablets, capsules, vials, ointments, active pharmaceutical ingredients and drugs intermediaries, capital work in progress, sundry debtors, furniture, fixtures, interiors, office equipment, vehicles, appliances, accessories, power lines, depots, deposits, all stocks, stocks of fuel, assets, investments of all kinds (including shares, scripts, subsidiaries, stocks, bonds, debenture stocks, units or pass through certificates) including shares or other securities held by the Transferor Companies in its subsidiaries, cash balances or deposits with banks, cheques on hand, loans, advances, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by the Transferor Companies, financial assets, leases (including but not limited to lease rights of the Transferor Companies), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, bids, tenders, letters of intent, expressions of interest, development



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

- (ii) All agreements, rights, contracts, entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quotas, rights, engagements, arrangements, authorities, allotments, security arrangements, benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Transferor Companies business activities and operations.
- (iii) All intellectual property rights, engineering and process information, software licenses (whether proprietary or otherwise), drawings, records, files, books, papers, computer programmes, manuals, data, catalogues, sales and advertising material, lists of present and former customers and suppliers, customer credit information, customer pricing information, other customer information and all other records and documents, whether in physical or electronic form, relating to the business activities and operations of the Transferor Companies.
- (iv) Amounts claimed by the Transferor Companies whether or not so recorded in the books of account of the Transferor Companies from



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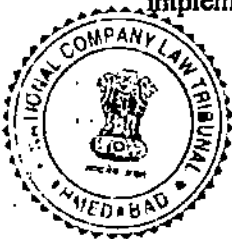
any Governmental Authority, under any law, act, scheme or rule, as refund of any tax, duty, cess or of any excess payment.

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

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956 and other Applicable Laws.

2. OPERATIVE DATE OF THE SCHEME

This Scheme though effective from the Appointed Date shall be operative / implemented from the Effective Date.



3. SHARE CAPITAL

3.1. Transferor Company 1

The share capital of the Transferor Company 1 as on September 30, 2016 is as set out below:

Particulars	Amount (INR)
Authorised share capital	
1,00,000 equity shares of face value of INR 10/- each	10,00,000
TOTAL	10,00,000
Issued, subscribed and paid-up share capital	
1,00,000 fully-paid up equity shares of face value of INR 10/- each	10,00,000
TOTAL	10,00,000

Notes:

- i) As on the date of this Scheme, there is no change in the share capital of the Transferor Company 1.
- ii) The entire issued, subscribed and fully paid share capital is held by the wholly-owned subsidiaries of the Transferee Company including the Transferor Company 2, the Transferor Company 3 and the Transferor Company 4.

3.2. Transferor Company 2

The share capital of the Transferor Company 2 as on September 30, 2016 is as set out below:

Particulars	Amount (INR)
Authorised share capital	
7,90,50,000 equity shares of face value of INR 10/- each	79,05,00,000
2,10,00,000 Non-cumulative redeemable preference shares of face value of INR 10/- each	21,00,00,000
TOTAL	100,05,00,000
Issued, subscribed and paid-up share capital	
31,00,020 fully-paid up equity shares of face value of INR 10/- each	3,10,00,200
250 10% Non-cumulative redeemable preference shares of face value of INR 10/- each	2,500
TOTAL	3,10,02,700

Notes:

- i) As on the date of this Scheme, there is no change in the share capital of the Transferor Company 2.
- ii) The entire issued, subscribed and fully paid share capital is beneficially held by the Transferee Company.



3.3. Transferor Company 3

The share capital of the Transferor Company 3 as on September 30, 2016 is as set out below:

Particulars	Amount (INR)
Authorised share capital	
5,000 equity shares of face value of INR 100/- each	5,00,000
TOTAL	5,00,000
Issued, subscribed and paid-up share capital	
5,000 fully-paid up equity shares of face value of INR 100/- each	5,00,000
TOTAL	5,00,000

Notes:

- i) As on the date of this Scheme, there is no change in the share capital of the Transferor Company 3.
- ii) The entire issued, subscribed and fully paid share capital is held by the Transferee Company and the Transferor Company 2.

3.4. Transferor Company 4

The share capital of the Transferor Company 4 as on September 30, 2016 is as set out below:

Particulars	Amount (INR)
Authorised share capital	
2,57,50,000 equity shares of face value of INR 10/- each	25,75,00,000
25,000 10% Non-cumulative redeemable preference shares of face value of INR 100/- each	25,00,000
TOTAL	26,00,00,000
Issued, subscribed and paid-up share capital	
2,50,08,400 fully-paid up equity shares of face value of INR 10/- each	25,00,84,000
TOTAL	25,00,84,000

Notes:

- i) As on the date of this Scheme, there is no change in the share capital of the Transferor Company 4.
- ii) The entire issued, subscribed and fully-paid share capital is beneficially held by the Transferee Company.



3.5. Transferee Company

The share capital of the Transferee Company as on September 30, 2016 is as set out below:

<i>Particulars</i>	<i>Amount (INR)</i>
Authorised share capital	
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
TOTAL	600,00,00,000
Issued, subscribed and paid-up share capital	
240,67,53,959 fully-paid up equity shares of face value of INR 1/- each	240,67,53,959
TOTAL	240,67,53,959

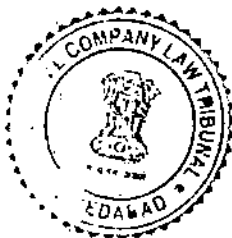
Notes:

- i) The issued, subscribed and paid-up share capital includes equity shares held by Sun Pharma Employees Stock Option Plan Trust.
- ii) Subsequent to September 30, 2016, in terms of provisions of Sections 68, 69 and 70 and all other applicable provisions, if any, of the Companies Act, 2013, the Companies (Share Capital and Debentures) Rules, 2014 to the extent applicable, and in compliance with Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, the Transferee Company had bought back and extinguished 75,00,000 equity shares of face value of INR 1/- each on October 21, 2016 pursuant to the Letter of Offer dated September 10, 2016. Accordingly, share capital of the Transferee Company as on November 10, 2016, is as set out below:

<i>Particulars</i>	<i>Amount (INR)</i>
Authorised share capital	
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
TOTAL	600,00,00,000
Issued, subscribed and paid-up share capital	
239,92,53,959 fully-paid up equity shares of face value of INR 1/- each	239,92,53,959
TOTAL	239,92,53,959

4. TRANSFER AND VESTING OF THE UNDERTAKINGS OF THE TRANSFEROR COMPANIES

- 4.1. *General:* Upon the coming into effect of the Scheme and with effect from the Appointed Date and pursuant to the provisions of Section 394 and other applicable provisions of the Act, if any, the Undertakings of the Transferor Companies shall,



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without any further act, instrument or deed, be and stand transferred to and / or vested in or be deemed to have been and stand transferred to or vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme, together with all estate, rights, titles and interests and authorities including accretions and appurtenances therein including dividends, or other benefits receivable. Notwithstanding anything contained in this Scheme, the provisions of this Scheme and all clauses hereunder shall be given effect to from the Appointed Date.

4.2. *Transfer of Assets:* Without prejudice to the generality of Clause 4.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:

- (i) All assets and properties of the Transferor Companies as on the Appointed Date, whether or not included in the books of the Transferor Companies, and all assets and properties which are acquired by the Transferor Companies on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 391 to 394 of the Act. It shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement in order to give effect to the provisions of this sub-clause.
- (ii) In respect of such assets owned and belonging to the Undertakings of the Transferor Companies 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 Companies, and shall become the property of the Transferee Company in pursuance of the provisions of Section 394 and other applicable provisions of the Act.
- (iii) In respect of movables, other than those dealt with in Clause 4.2 (ii) above, of the Transferee Company including the sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall, without any further act, instrument or deed, on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company).
- (iv) All consents, permissions, licenses, permits, quotas, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments,



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

4.3. *Transfer of Liabilities:* Without prejudice to the generality of Clause 4.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:

- (i) All the liabilities including all secured and unsecured debts, whether in Indian rupees or foreign currency), sundry creditors, contingent liabilities, duties, obligations and undertakings of the Transferor Companies of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations (the "Liabilities") shall, without any further act, instrument or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company, along with any charge, lien, encumbrance or security thereon, and the same shall be assumed to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain consent of any third party or other person who is a party to the contract or arrangements by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Clause. Further, all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Companies on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee Company, by virtue of this Scheme.
- (ii) Without prejudice to the foregoing provisions of this Clause, upon the coming into effect of the Scheme, all debentures, bonds, notes or other debt securities and other instruments of like nature (whether convertible into equity shares or not) shall pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Act, without any further act, instrument or deed, become the debt securities of the Transferee Company on the same



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terms and conditions except to the extent modified under the provisions of this Scheme and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in or be deemed to have been transferred to and vested in and shall be exercised by or against the Transferee Company as if it was the issuer of such debt securities, so transferred and vested.

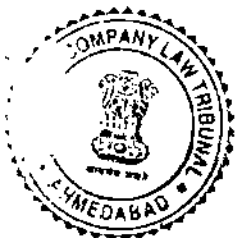
(iii) Where any of the debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations of the Transferor Companies as on the Appointed Date deemed to be transferred to the Transferee Company have been discharged by Transferor Companies after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.

(iv) All loans raised or used and all liabilities and obligations incurred by the Transferor Companies for the operations of the Transferor Companies after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Transferee Company in which the Undertakings of the Transferor Companies shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also without any further act, deed or instrument, be and stand transferred to and be deemed to be transferred to the Transferee Company and shall become the debts, liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.

(v) The Transferor Companies may, if required, give notice in such form as it may deem fit and proper to each party, debtor or borrower as the case may be that pursuant to the High Court sanctioning the Scheme, the said debt, loan, advance, etc. be paid or made good or held on account of the Transferee Company as the person entitled thereto.

(vi) The Transferee Company may, if required, give notice in such form as it may deem fit and proper to each person, debtor or borrower that pursuant to the High Court having sanctioned the Scheme, the said person, debtor or borrower shall pay the debt, loan or advance or make good the same or hold the same to its account and that the right of the Transferee Company to recover or realise the same is in substitution of the right of the Transferor Companies.

(vii) The transfer and vesting of the assets comprised in the Undertakings of the Transferor Companies to and in the Transferee Company under this Scheme shall be subject to the mortgages and charges, if any, affecting the same. All encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Companies which secures or relate to the Liabilities shall, after the Effective Date, without any further act, deed or instrument, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company. Provided that if any of the assets of the Transferor Companies have not been encumbered in respect of the Liabilities, such



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assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Transferor Companies. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.

(viii) Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of this Scheme, the Transferor Companies and the Transferee Company shall execute such instruments or documents or do all such acts and deeds as may be required, including the filing of necessary particulars and / or modification(s) of charge, with the Registrar of Companies having jurisdiction to give formal effect to the above provisions, if required.

(ix) It is expressly provided that no other term or condition of the Liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

4.4. Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of this Clause 4 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.

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

4.6. On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Companies and realise all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferor Companies in the name of the Transferor Companies in so far as may be necessary until the transfer of rights and obligations of the Transferor Companies to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions.

4.7. For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that with effect from the Effective Date until such times the name of the bank accounts of the Transferor Companies would be replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Companies in the name of the Transferor Companies in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Companies after the Effective Date shall be



accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. The Transferee Company shall be allowed to maintain banks accounts in the name of Transferor Companies for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Companies. It is hereby expressly clarified that any legal proceedings by or against the Transferor Companies in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Companies shall be instituted, or as the case may be, continued by or against the Transferee Company after the coming into effect of the Scheme.

4.8. For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that in order to ensure smooth transition and sales of products and inventory of the Transferor Companies manufactured and / or branded and / or labelled and / or packed in the name of the Transferor Companies prior to the Effective Date or which are being manufactured and / or branded and / or labelled and / or packed in the name of the Transferor Companies on or after the Effective Date so long as outstanding inventories (including packing materials) are completely used and exhausted, the Transferee Company shall have the right to own, use, market, sell, exhaust or to in any manner deal with any such products and inventories (including packing materials) pertaining to the Transferor Companies at manufacturing locations or warehouses or retail stores or for the purpose of export or otherwise, without making any modifications whatsoever to such products and / or their branding, packing or labelling notwithstanding anything contrary provided under any applicable laws. All invoices payment related documents pertaining to such products and inventories (including packing materials) may be raised in the name of the Transferee Company after the Effective Date and if raised in the name of the Transferor Companies, shall be paid and discharged by the Transferee Company.

4.9. For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that if any assets (including estates, claims, rights, entitlements, title, interest in or authorities relating to such assets) or any contract, deeds, bonds, agreements, permissions, authorisations, schemes, arrangements or other instruments of whatsoever nature which belongs to any of the Transferor Companies or to which any of the Transferor Companies is a party and which cannot be transferred to the Transferee Company for any reason whatsoever, the Transferee Company shall hold such assets or be entitled to all the rights, powers or interests in such instruments in trust in the name of the Transferor Companies for its benefit in terms of this Scheme, in so far as it is permissible so to do, till such time the formal transfer is effected.

5. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

5.1. Upon the coming into effect of this Scheme and subject to all the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, assurances and other instruments of whatsoever nature to which any of the Transferor Companies is a party or to the benefit of which the Transferor Companies may be eligible, and which are subsisting or have effect immediately



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before the Effective Date, shall continue in full force and effect by, for or against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and effectively as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary thereto.

5.2. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertakings of the Transferor Companies occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any Applicable Laws or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite agreements or arrangements with any party to any contract or arrangement to which any of the Transferor Companies is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, under the provisions of the Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Companies and to carry out or perform all such formalities or compliances referred to above as which the Transferor Companies are obliged or bound to carry out or perform.

5.3. The Transferee Company shall be entitled to the benefit of all insurance policies which have been issued in respect of the Transferor Companies and the name of the Transferee Company shall be substituted as "Insured" in the policies as if the Transferee Company was initially a party.

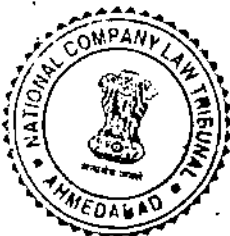
6. LEGAL PROCEEDINGS

6.1. Upon the effectiveness of the Scheme, all suits, appeal, actions and other legal proceedings of whatsoever nature by or against the Transferor Companies pending and / or arising on or before the Appointed Date shall not abate, be discontinued or be in any way prejudicially affected by reason of the amalgamation of the Transferor Companies with the Transferee Company or of anything contained in this Scheme, but shall be transferred in the name of the Transferee Company and shall be continued, prosecuted and enforced by or against the Transferee Company, in the same manner and to the same extent as it would be or might have been continued, prosecuted or enforced by or against the Transferor Companies as if the same had been filed by, pending and / or arising against the Transferee Company.

6.2. The Transferee Company will undertake to have all legal or other proceedings initiated by or against the Transferor Companies referred to in Clause 6.1 above transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company. The Transferor Companies and the Transferee Company shall make relevant applications in that behalf and the Transferor Companies and the Transferee Company shall cooperate with each other in respect of any such legal and other proceedings.

7. SAVING OF CONCLUDED TRANSACTIONS

The transfer of the Undertakings of the Transferor Companies, the effectiveness of contracts, deeds and other instruments and the continuance of the legal proceedings shall not affect any transactions or proceedings already concluded by the Transferor Companies, on or before the Effective Date or on or after the Appointed Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds and



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things done and executed by the Transferor Companies, in respect thereto, as if done and executed on its behalf.

8. STAFF AND EMPLOYEES

Upon the Scheme becoming effective:

- 8.1. All employees who are in service of the Transferor Companies on the Effective Date, shall become the employees of the Transferee Company on such date without any break or interruption in service and on terms and conditions of service (including as to remuneration) not less favourable than those subsisting with the Transferor Companies as on the Effective Date.
- 8.2. The existing provident fund, gratuity fund and pension and other benefits provided by the Transferor Companies to its employees or any other special funds created or existing for the benefit of the employees of the Transferor Companies shall at an appropriate stage be transferred to the relevant funds of the Transferee Company and until such time shall be maintained separately. In the event that the Transferee Company does not have its own funds with respect to any such matters, the Transferee Company shall create its own fund(s) to which the contributions pertaining to the employees of Transferor Companies shall be transferred.
- 8.3. The Transferee Company agrees that for the purpose of payment of any gratuity or other terminal benefits, the past services of such permanent and confirmed employees, if any, with the Transferor Companies shall also be taken into account.
- 8.4. The liabilities of the employees / officers towards the Transferor Companies shall stand transferred to the Transferee Company. Further, any prosecution or disciplinary action, initiated, pending or contemplated against any employee or officer by the Transferor Companies as on the Effective Date shall be continued under the extant provisions of the Transferor Companies and any penalty / penalties imposed in this regard on any officer or employee would continue to operate against the concerned employee or officer and shall be enforced fully and effectually by the Transferee Company.
- 8.5. Without prejudice to the generality of the aforesaid, the Transferee Company shall have the right to transfer the employees of the Transferor Companies to any branch, office, region, establishment, division, profit / cost center or department of the Transferee Company or its subsidiaries or affiliate / associate companies, situated anywhere in India or overseas, if warranted and as may be deemed necessary from time to time.
- 8.6. Except with the prior approval of the Transferee Company, the Transferor Companies shall not, between Appointed Date and Effective Date, vary the terms and conditions of the employment of the employees unless such variance in the terms and conditions of employment of the employees are in the ordinary course of business.
- 8.7. The Transferee Company shall be liable to pay and shall pay to each of the officers and employees such compensation in the event of the retrenchment of any of them as they may be entitled to receive according to any agreement between them and



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the Transferor Companies or between them and the Transferee Company, as the case may be, or as may be required by any law for the time being in force, such compensation to be paid to each of them on the basis that their service has been continuous and has not been interrupted by virtue of the Undertakings of the Transferor Companies having been taken over by the Transferee Company under this Scheme.

9. TAX TREATMENT

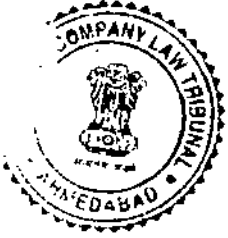
9.1. This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified in Section 2(1B) and other relevant provisions of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section and other related provisions at a later date including that resulting from a retrospective amendment of law or for any other reason whatsoever till the time the Scheme becomes effective, the provisions of the said section and other related provisions of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified, unless the Board of Directors decide otherwise, to the extent required to comply with Section 2(1B) and other relevant provisions of the Income Tax Act, 1961.

9.2. All taxes and duties including cess and surcharge if any (including but not limited to income tax, tax deducted at source, sales tax, excise duty, customs duty, service tax, value added tax, goods and services tax, professional tax, entry tax, local body tax etc.) paid or discharged by the Transferor Companies in respect of the operations and/or the profits of the business of the Transferor Companies before the Appointed Date whether by way of direct payment, deduction at source, advance tax or otherwise howsoever shall be deemed to be the corresponding item paid by the Transferee Company, and shall, in all proceedings, be dealt with accordingly.

9.3. All the profits or income, taxes (including advance tax, tax deducted at source and minimum alternate tax credit) or any costs, charges, expenditure accruing or arising to the Transferor Companies or expenditure or losses arising or incurred or suffered by the Transferor Companies shall for all purposes be treated and deemed to be accrue from the Appointed Date as the profits or income, taxes (including tax losses, minimum alternate tax credit), costs, charges, expenditure or losses of the Transferee Company, as the case may be.

9.4. Upon the Scheme becoming effective, the Transferor Companies and the Transferee Company shall have the right to revise their respective financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, 1961, central sales tax, applicable state value added tax, goods and services tax act, service tax laws, excise duty laws and all other applicable tax laws, and to claim refunds and or credit for taxes paid (including minimum alternate tax, tax deducted at source, wealth tax, etc.) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.

9.5. All tax assessment proceedings and appeals of whatsoever nature by or against the Transferor Companies pending and / or arising at the Appointed Date shall be continued and / or enforced until the Effective Date by the Transferor Companies, As and from the Effective Date, the tax proceedings shall be continued and enforced by / or against the Transferee Company in the same manner and to the



same extent as would or might have been continued and enforced by or against the Transferor Companies. Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Companies with the Transferee Company or anything contained in the Scheme.

- 9.6. Any tax liabilities under the Income Tax Act, 1961, service tax laws, excise duty laws, central sales tax laws, goods and services tax act, applicable state value added tax laws or other Applicable Laws dealing with taxes, duties or levies of the Transferor Companies to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company.
- 9.7. Any refund, under the Income Tax Act, 1961, service tax laws, excise duty laws, central sales tax laws, goods and services tax act, applicable state value added tax laws or other Applicable Laws dealing with taxes, duties or levies due to the Transferor Companies consequent to the assessment made on the Transferor Companies (including any refund for which no credit is taken in the accounts of the Transferor Companies) as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company upon this Scheme becoming effective.
- 9.8. The tax and duty payments including cess and surcharge if any (including without limitation income tax, service tax, excise duty, central sales tax, goods and services tax act, applicable state value added tax, etc.) whether by way of tax deducted at source, advance tax or otherwise howsoever, by the Transferor Companies after the Appointed Date, shall be deemed to be paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Further, any tax deducted at source by the Transferor Companies / the Transferee Company on transactions with the Transferee Company / Transferor Companies, if any (from Appointed Date to Effective Date) shall be deemed to be advance tax paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 9.9. Upon the Scheme coming into effect, any obligation for deduction of tax at source on any payment made by or to be made by the Transferor Companies shall be made or deemed to have been made and duly complied with by the Transferee Company.
- 9.10. All intangible assets (including but not limited to goodwill) belonging to but not recorded in the books of account of the Transferor Companies and all intangible assets (including but not limited to goodwill) arising or recorded in the process of the amalgamation, if any, in books of account of the Transferee Company shall, for all purposes, be regarded as an intangible asset in terms of Explanation 3(b) to Section 32(1) of the Income Tax Act, 1961 and the Transferee Company shall be eligible for depreciation thereunder at the prescribed rates.
- 9.11. Without prejudice to the generality of the foregoing, all benefits, incentives, losses (including but not limited to book losses, tax losses), book unabsorbed depreciation, tax unabsorbed depreciation, credits (including, without limitation income tax, minimum alternate tax, tax deducted at source, wealth tax, service tax, excise duty, central sales tax, applicable state value added tax, goods and services tax act, customs duty drawback etc.) to which any of the Transferor Companies is



entitled to in terms of Applicable Laws, shall be available to and vest in the Transferee Company, upon this Scheme coming into effect.

9.12. Upon coming into effect of this Scheme, all tax compliances under any tax laws by the Transferor Companies on or after the Appointed Date shall be deemed to be made by the Transferee Company.

10. INTELLECTUAL PROPERTY RIGHTS

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

11. CONSIDERATION

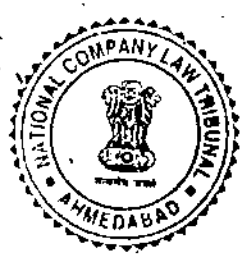
11.1. The entire share capital (equity share capital as well as preference share capital, where applicable) of the Transferor Companies is, directly or indirectly through wholly-owned subsidiary companies, beneficially held by the Transferee Company. In other words, the Transferor Companies are the direct or indirect wholly-owned subsidiary companies of the Transferee Company. Accordingly, pursuant to this Scheme, no shares of the Transferee Company shall be issued and allotted in respect of shares held by it or its subsidiary companies in the Transferor Companies. Upon the Scheme becoming effective, the entire share capital (equity share capital as well as the preference share capital, where applicable) of the Transferor Companies shall be cancelled and extinguished without any further act, deed or instrument as an integral part of this Scheme.

11.2. The investments in the shares of the Transferor Companies appearing in the books of account of the Transferee Company or other subsidiary companies of the Transferee Company shall, without any further act, deed or instrument, stand cancelled.

12. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEE COMPANY

12.1. The Transferee Company shall account for the amalgamation in its books of account as per the "Pooling of Interest Method" prescribed under Indian - Accounting Standard 103 - "Business Combinations" notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other applicable accounting standards prescribed under the Act.

12.2. All the assets and liabilities of the Transferor Companies shall stand transferred to, and the same shall be recorded by, the Transferee Company at their respective carrying amount and in the same form as appearing in the books of account of the Transferor Companies.

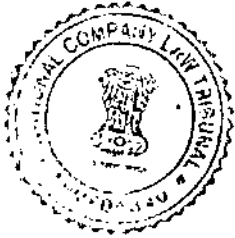


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- 12.3. The balance of the retained earnings in the books of account of the Transferor Companies shall be aggregated with the corresponding balance of retained earnings of the Transferee Company.
- 12.4. The identity of the reserves standing in the books of account of the Transferor Companies shall be preserved and shall appear in the financial statements of the Transferee Company in the same form in and at the same values at which they appeared in the financial statements of the Transferor Companies. As a result of preserving the identity, reserves which prior to this Scheme becoming effective were available for distribution as dividend would also be available for distribution as dividend after the Scheme becoming effective.
- 12.5. As stated in Clause 11 above, no new shares will be issued or allotted by the Transferee Company pursuant to this Scheme and the investments in the shares (equity as well as preference) of the Transferor Companies appearing, inter alia, in the books of account of the Transferee Company shall stand cancelled. The difference between the amount of investment in the shares (equity as well as preference) of the Transferor Companies appearing in the books of account of the Transferee Company and the amount of issued, subscribed and paid-up share capital (equity as well as preference) standing credited in the books of account of the Transferor Companies shall, subject to provisions contained in applicable accounting standards prescribed under the Act, be transferred to capital reserve in the books of account of the Transferee Company and such capital reserve shall be presented separately from other capital reserves.
- 12.6. In case there is any difference in the accounting policies adopted by the Transferor Companies and the Transferee Company, the accounting policies followed by the Transferee Company will prevail and the difference will be quantified and adjusted in the Reserves to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.
- 12.7. If there are any loans, advances or other obligations (including but not limited to any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form) that are due between the Transferor Companies and the Transferee Company or between any of the Transferor Companies inter-se, if any, shall, ipso facto, stand discharged and come to end and the same shall be eliminated by giving appropriate elimination effect in the books of account and records of the Transferee Company.
- 12.8. In addition, the Transferee Company shall pass such accounting entries, as may be necessary, in connection with this scheme, to comply with any of the applicable accounting standards and generally accepted accounting principles adopted in India.

13. DISSOLUTION OF THE TRANSFEROR COMPANIES AND VALIDITY OF RESOLUTIONS

- 13.1. Upon the effectiveness of this Scheme, the Transferor Companies shall be dissolved without winding up, and the Board of Directors and any committees thereof of the Transferor Companies shall without any further act, instrument or deed be and stand dissolved.



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13.2. Upon the coming into effect of this Scheme, the resolutions, if any, of the Transferor Companies, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

14. CONDUCT OF BUSINESS BY THE TRANSFEROR COMPANIES TILL EFFECTIVE DATE

14.1. From the Appointed Date till the Effective Date, the Transferor Companies shall carry on and be deemed to have carried on all its business and activities and shall hold and be in possession of the Undertakings of the Transferor Companies for and on account of and in trust for the Transferee Company. All profits, incomes, expenditure or losses arising or incurred (including the effect of taxes, if any, thereon) or accruing to the Transferor Companies or by the Transferor Companies shall, for all purposes, be treated as the profits or incomes or expenditure or losses or taxes, as the case may be, of the Transferee Company.

14.2. From the Appointed Date till the Effective Date, the Transferor Companies shall carry on all its business and activities with reasonable diligence and business prudence and shall not, without the prior written consent of the Transferee Company, alienate, charge, mortgage, encumber or otherwise deal with the said assets or any part thereof, except in the ordinary course of business, or pursuant to any pre-existing obligation(s) undertaken by the Transferor Companies prior to the date of approval of the Scheme by its Board of Directors.

14.3. All assets, rights, titles, interests and authorities accrued to and /or acquired by the Transferor Companies in relation to or in connection with the Undertakings of the Transferor Companies after the Appointed Date and prior to the Effective Date shall be deemed to have been accrued to and / or acquired for and on behalf of the Transferee Company and shall, pursuant to the provisions of Section 394 of the Act, without any further act, instrument or deed or conveyance, be and stand transferred to or vested in or be deemed to be transferred to or vested in the Transferee Company to that extent and shall become the assets, rights, title, interests and authorities of the Transferee Company.

14.4. Where any of the liabilities of the Transferor Companies which are on the Appointed Date transferred to the Transferee Company have been discharged by the Transferor Companies 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.

14.5. All loans raised and utilized and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by the Transferor Companies after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, pursuant to the provisions of, Section 394 of the Act, without any further act, instrument or deed be and stand transferred to or vested in or be deemed to be transferred to and vested



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in the Transferee Company and shall become the liabilities and obligations of the Transferee Company and the Transferee Company shall discharge and satisfy the same.

14.6. With effect from the date of the respective meetings of the Board of Directors of the Transferor Companies and the Transferee Company approving the Scheme and upto and including the Effective Date, the Transferor Companies and the Transferee Company may make any change in their respective capital structure, whether by way of increase, decrease, reduction, reclassification, sub-division or consolidation, re-organisation, or in any other manner, with prior intimation to other Transferor Companies and the Transferee Company and in such an event, appropriate and consequential changes in the provisions of this Scheme, if and wherever required, shall be made and shall be deemed to have been made.

14.7. Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to the Transferor Companies shall be deemed to have been exercised by the Transferor Companies for and on behalf of and as agent for the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Undertakings of the Transferor Companies that have been undertaken or discharged by the Transferor Companies shall be deemed to have been undertaken or discharged for and on behalf of and as agent for the Transferee Company.

15. APPLICATION TO THE HIGH COURT

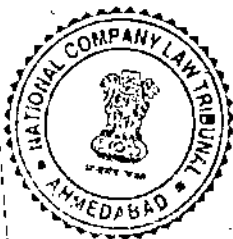
15.1. The Transferor Companies shall make all applications/petitions under Sections 391 to 394 and other applicable provisions of the Act to the High Court for sanctioning of this Scheme and for dissolution of the Transferor Companies without winding up under the provisions of Act and to obtain all approvals as may be required under Applicable Law.

15.2. The Transferee Company shall also make all applications/petitions under Sections 391 to 394 and other applicable provisions of the Act to the High Court for sanctioning of this Scheme under the provisions of Act and to obtain all approvals as may be required under Applicable Law.

16. DIVIDEND

16.1. For the avoidance of doubt, it is hereby clarified that nothing in this Scheme shall prevent the Transferee Company and the Transferor Companies from declaring and paying dividends, whether interim or final, to its shareholders.

16.2. It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Companies and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Transferor Companies and the Transferee Company and subject, wherever necessary, to the approval of the shareholders of the Transferor Companies and the Transferee Company, respectively.




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

17.1. For the avoidance of doubt, it is hereby clarified that nothing in this Scheme 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.

18. MODIFICATIONS, AMENDMENTS TO THE SCHEME

18.1. If at any time the High Court or any regulatory authority, including the Stock Exchanges or SEBI, suggests or requires material modifications or amendments to the Scheme, such modifications or amendments shall not be binding on the Transferor Companies and the Transferee Company unless agreed to by Board of Directors or any director who is authorized by the Board of Directors; provided, however, that where any modification or amendment relates to severance or non-approval of any part of the Scheme, which part is capable of otherwise being lawfully performed in accordance with the agreement between the Transferor Companies and Transferee Company, the Transferor Companies and Transferee Company shall perform such part accordingly.

18.2. Subject to the foregoing, the Transferor Companies (by any of their respective Directors) and the Transferee Company (by any of its Directors):

- (i) may in its full and absolute discretion assent from time to time on behalf of all persons concerned to any modifications or amendments or addition to this Scheme or to any conditions or limitations which the High Court or any authorities under the Applicable Laws may deem fit to approve of or impose and / or to resolve any doubt or difficulties that may arise for carrying out this Scheme and to do and execute all such acts, deeds, matters and things as may be necessary, desirable or proper for carrying the Scheme into effect.
- (ii) are authorised to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect, and/or give such consents as may be required in terms of this Scheme;
- (iii) for the purpose of giving effect to this Scheme or to any modifications or amendments thereof, may give and are authorised to give all such directions that are necessary or are desirable including directions for settling any doubts or difficulties that may arise.
- (iv) mutually agree to modify any of the terms of this Scheme in future to settle any of the difficulties or to implement the provisions of this Scheme smoothly and hassle free manner, if such need arises and for all purposes the Effective Date for such subsequent modified scheme shall be the same as specified in this Scheme.



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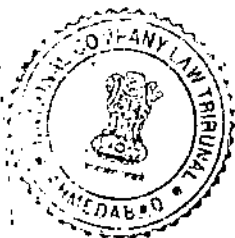
19. SCHEME CONDITIONAL UPON APPROVALS/ SANCTIONS

This Scheme is conditional upon and subject to:

- 19.1. Receipt of all requisite sanctions or approvals, if any required, under any Applicable Laws from any Governmental Authority or other persons or any other authority, agency, department or person concerned.
- 19.2. The compliance with the SEBI guidelines including particularly, the circular CIR/CFD/CMD/16/2015 dated 30th November, 2015 and subsequent amendments thereof.
- 19.3. The Scheme being agreed to by the requisite majorities of the shareholders and/or creditors of the Transferor Companies and/or the Transferee Company (if applicable and so directed by the High Court).
- 19.4. The sanctions of the High Court being obtained under Sections 391 to 394 and other applicable provisions of the Act and requisite orders of the High Court being obtained.
- 19.5. The certified copy of the orders of the High Court sanctioning the Scheme being filed with the respective Registrar of Companies having jurisdiction.

20. EFFECT OF NON-RECEIPT OF APPROVAL/SANCTION

- 20.1. In the event of any of the conditions referred in Clause 19 hereinabove are not satisfied or the said sanctions and approvals are not obtained and / or the said order or orders not passed as aforesaid within such period or periods as may be agreed upon between the Transferor Companies and the Transferee Company through their respective Board of Directors or any director authorized by the Board of Directors, the Scheme shall stand nullified, revoked, cancelled and shall become void and be of no effect and shall be deemed to have never have been in existence.
- 20.2. The Board of Directors or any director authorized by the Board of Directors of each of the Transferor Companies and the Transferee Company are hereby authorized and empowered to agree to and extend the period as aforesaid determined from time to time without any limitations in exercise of their powers.
- 20.3. In the event of any subsequent change in law or regulations which does not require the Scheme to be approved by the High Court, the Transferor Companies and the Transferee Company shall have the right to withdraw the Scheme as filed before the High Court.
- 20.4. In the event of revocation under Clause 20.1 above, no rights and liabilities whatsoever shall accrue to or be incurred inter-se to the Transferor Companies and the Transferee Company or their respective members or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the Applicable Laws, and in such case, the Transferor Companies and the Transferee Company shall bear its own costs unless otherwise mutually agreed.



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20.5. The Board of Directors or any director authorized by the Board of Directors of the Transferor Companies and / or the Transferee Company shall be entitled to withdraw this Scheme prior to the Effective Date.

21. SEVERABILITY

If any part of this Scheme is invalid, ruled illegal by the High Court of competent jurisdiction, or unenforceable under present or future Applicable Laws, then it is the intention of the Transferor Companies and the Transferee Company that such part shall be severable from the remainder of the Scheme. Further, if the deletion of such part of this Scheme may cause this Scheme to become materially adverse to the Transferor Companies and /or the Transferee Company, then in such case the Transferor Companies and /or the Transferee Company shall attempt to bring about a modification in the Scheme, as will best preserve for the Transferor Companies and the Transferee Company the benefits and obligations of the Scheme, including but not limited to such part deleted.

22. EXPENSES CONNECTED WITH THE SCHEME

All costs, charges and expenses, including taxes and duties payable, of the Transferor Companies and the Transferee Company incurred by or applicable to each of them in relation to or in connection with the Scheme and incidental to the completion of the amalgamation of the Transferor Companies with the Transferee Company in pursuance of the Scheme, shall be borne and paid by Transferee Company unless mutually agreed by the Transferor Companies and the Transferee Company otherwise.



For SUN PHARMACEUTICAL INDUSTRIES LTD

A. J. B.

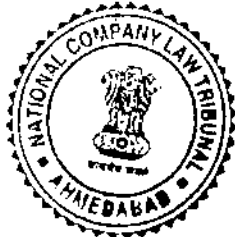
ASHOK I. BHUTA
Compliance Officer

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In view of Paragraph 15 of the final order dated 11th August 2017, passed by the Hon'ble National Company Law Tribunal, Bench at Ahmedabad in C.P. (CAA) No. 65/NCLT/AHM/2017, the Scheme of Arrangement is hereby authenticated.

Registrar

This ____ day of September 2017



Certified as True Copy of Original *K. M. Navindran*
for Asstt. Registrar
Date: 6/9/17 NCLT Ahmedabad Bench
Place: Ahmedabad Ahmedabad

Scheme of Arrangement
In the nature of De-merger
and
Transfer of Specified Undertaking
of
Sun Pharma Global FZE
To
Sun Pharmaceutical Industries Limited

**NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH
AHMEDABAD**

CP (CAA) 90/230-232/ 2018 in
CA(CAA) No. 18/NCLT/AHM/2018

Coram: Hon'ble Ms. MANORAMA KUMARI, MEMBER JUDICIAL

**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF AHMEDABAD BENCH
OF THE NATIONAL COMPANY LAW TRIBUNAL ON 31.10.2018**

Name of the Company: Sun Pharmaceutical Industries Ltd.

Section of the Companies Act: Section 230-232 of the Companies Act, 2013

S.NO.	NAME (CAPITAL LETTERS)	DESIGNATION	REPRESENTATION	SIGNATURE
1.	SWATI SOPARKAR	ADVOCATE	PETITIONER	Swati Soparkar
2.				

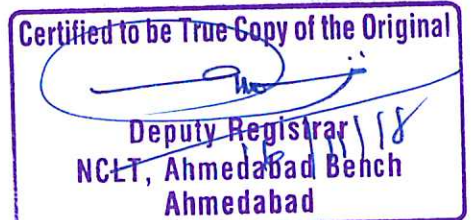
ORDER

Advocate Mrs. Swati Soparkar is present for the petitioner.

The Order is pronounced in the open court, vide separate sheet.

Dated this the 31st day of October, 2018.

Manori
**MANORAMA KUMARI
(MEMBER JUDICIAL)**



CP(CAA)No.90/NCLT/AHM/2018
in
CA(CAA) No. 18/NCLT/AHM/2018

**NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH**

CP(CAA)No.90/NCLT/AHM/2018
in
CA(CAA) No. 18/NCLT/AHM/2018

In the matter of :

**Sun Pharmaceutical Industries
Limited**

(CIN: L24230GJ1993PLC019050)

A company registered under the
Provisions of Companies Act, 1956 and
having its registered office at
SPARC,
Tandalja,
Vadodara – 390 012
Gujarat

....Petitioner Transferee
Company

Order delivered on 31st October, 2018

Coram: Hon'ble Ms. Manorama Kumari, Member (J)

Appearance:

Advocate Ms. Swati Soparkar is present for the Petitioner Companies.

ORDER

1. The instant petition is filed by the Petitioner Transferee Company under Section 230 and 232 read with section 234 of the Companies Act, 2013 seeking sanction of this Tribunal to a Scheme of Arrangement in the nature of De-merger and transfer of a specified undertaking of Sun Pharma Global FZE to Sun Pharmaceutical Industries Limited, the Petitioner Transferee Company. It is submitted that Sun Pharma Global FZE is an indirect wholly owned subsidiary of Sun Pharmaceutical Industries Limited i.e. the Petitioner Transferee Company and is incorporated under the provisions of laws of United Arab Emirates. Thus, it involves cross border arrangement.



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2. The Petitioner Transferee Company is a listed public limited company and the shares are listed at BSE Limited and National Stock Exchange of India Limited. The petitioner had sought the prior approval from the concerned stock exchanges vide communication dated 22nd December 2017. However, since the Scheme involves the arrangement between the wholly owned subsidiary company and the holding company, under the SEBI circular no. CFD/DIL 3/CIR/2018/2 dated 3rd January 2018, it was required to file the present Scheme of Arrangement with Securities and Exchange Board of India through the concerned stock exchanges only as a disclosure and it was not necessary to obtain prior approval to the scheme. The said information was communicated by NSE vide communication dated 18th January 2018. The copies of the communication with all these details has been placed on record along with the application, being CA CAA No. 18 of 2018.
3. The details of the commercial activities of both the companies as well as the rationale for the proposed Scheme of Arrangement has been detailed in the Scheme. It is submitted that the Petitioner Transferee Company is a leading pharmaceutical company in India, engaged in the business of development, manufacture, marketing, sale, trading, and export of various generic drug formulations and the manufacture of drugs and pharmaceutical products. On the other hand, the Transferor Company which is an indirect wholly owned subsidiary of the Transferee Company is also engaged in business of developing, manufacturing, trading and exporting pharmaceutical formulations and also investment, financing and other related activities. The scheme of arrangement is proposed with an objective of integrating and consolidating the business activities in relation to Generic Products carried out by the Transferee Company resulting in strengthening of the business, synergistic benefits and economies of scale. Petition gives details of the benefits envisaged by the management of these companies.
4. It is further submitted that vide the order dated 16th March 2018, passed in application being CA(CAA) No. 18 of 2018, the petitioner company was directed to convene separate meetings of the Equity Shareholders and Unsecured Creditors, whereas the meeting of the Secured Creditors was dispensed with in view of the written consent



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filed by way of an affidavit from the sole Secured Creditor placed on record.

5. In compliance of the order passed by this Tribunal, notices of the meetings were sent individually to all the Equity Shareholders, and Unsecured Creditors of the Transferee Company; together with a copy of the Scheme of Arrangement and the Explanatory Statement as well as all other required disclosures. The notice for convening the meetings were also advertised in English daily 'Financial Express' Ahmedabad edition and Gujarati daily 'Sandesh' Vadodara edition on 26th April 2018. The affidavit dated 15th May 2018 was filed by the Chairman of the meetings confirming the compliance of the directions. The aforesaid meetings were duly convened and held on the 1st June 2018 and the Chairman has filed its report with regard to the result of the said meetings before this Tribunal vide affidavit dated 1st June 2018, were filed with this Tribunal on 11th June 2018. On perusal of the same confirms the unanimous approval of the proposed Scheme by the Unsecured Creditors of the Petitioner Company, present and casting valid votes at the said meeting. In case of the meeting of the Equity Shareholders, the proposed Scheme was approved by 98.45 % in number and 99.998% in value which is the aggregate requisite majority of the Shareholders, casting their votes either through Postal Ballot, remote e voting as well as casting valid votes at the meeting.
6. That in pursuant to order dated 16th March 2018, the petitioner company was also directed to serve Notice of the Scheme to the Regulatory Authorities-viz. (i) Central Govt. through the Regional Director, North-Western Region, (ii) Registrar of Companies, Gujarat, (iii) concerned Income Tax Authorities; (iv) the Securities and Exchange Board of India, (v) the BSE Limited; (vi) National Stock Exchange of India Limited as well as (vii) The Reserve Bank of India; alongwith Notice, Explanatory Statement and other requisite documents and disclosures. The notices were duly served upon all the authorities on or before 27th April 2018. The affidavit dated 15th May 2018 confirming the compliance of the said directions for service of Notice on all the above Regulatory Authorities along with the acknowledgments for the same was filed before this Tribunal on 18th May 2018. In response to the said notice, the representation dated 13th June 2018 was received



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from the Regional Director, Western Region. Reserve Bank of India has sent a letter dated 14th June 2018 but has not expressed any opinion on the proposed Scheme of Arrangement. No other representation was received from any other regulatory authority.

7. Since the Scheme envisages cross border arrangement, as envisaged under the provisions of Section 234 of the Companies Act, 2013, the petitioner had sought prior approval from the Reserve Bank of India vide letter dated 4th January 2018 which is annexed and marked as Annexure-I with the application. As a consequence, the Tribunal vide order dated 16th March 2018 directed the said Company to bring this fact to the notice of its Shareholders at the meeting convened to consider the said Scheme and further required the Petitioner to obtain the aforesaid approval before filing the petition before this Tribunal. However, vide a notification dated 20th March 2018, the Reserve Bank of India announced the Foreign Exchange Management (Cross Border Arrangement) Regulations, 2018 and prescribed specific compliances in case of both Inbound and Outbound mergers; annexure H is the said notification. The petitioner complied with the direction of Inbound Merger and brought the relevant facts to the notice of the Equity Shareholders through Explanatory Statement as well as through Chairman's speech at the meeting. The petitioner fulfilled the requisite compliances of the RBI Notification particularly in light of the fact that no consideration is payable to the foreign company as it is an indirect wholly owned subsidiary of the Petitioner Company. Vide Rule 9 of the RBI Notification, the aforesaid compliances amount to Deemed Approval from the RBI. The requisite documents confirming the aforesaid compliances as well as copies of communication with the Reserve Bank of India; were placed on record vide IA No. 202 of 2018 filed on 5th May 2018, vide which the petitioner sought waiver of the direction of obtaining the prior approval from RBI to enable the petitioner to file the present petition. The aforesaid compliance certificates are also placed on record with the petition. In pursuance to the order dated 30th July 2018, the Tribunal directed the petitioner to send an additional notice to RBI for clarifying the position before final sanction of the Scheme, and allowed the admission of the petition. Though the notice to the RBI was sent, but so far no representation is



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received from RBI. The Petitioner Transferee Company has filed copy of proof with regard to service of notice upon R.B.I.

8. The present petition was filed on 15th June 2018 and the same was admitted on 30th July 2018. The date of hearing was fixed as 31st August 2018 with a direction to publish Notice of Hearing of Petition in the newspapers viz. English daily, Financial Express, Ahmedabad Edition and Gujarati daily, Sandesh Vadodara edition at least before 10 days of the date of hearing of the petition. Further directions were also issued to serve notice of hearing of the petition to the statutory authorities viz. (i) Central Govt. through Regional Director- North Western Region, and (ii) Registrar of Companies; (iii) Income Tax authorities and (iv) Reserve Bank of India, at least before 10 days of the date of hearing of the petition.
9. It is further submitted that in pursuance to the said directions, notices were duly served by the petitioner companies on the statutory authorities between 6th August 2018 and 9th August 2018 and publications were also duly made in the newspapers on 7th August 2018. Proof of service and publication is filed by way of an affidavit.
10. Heard Mrs. Swati Soparkar, learned advocate appearing for the petitioner companies. It is submitted that representation in form of an affidavit dated 13th June 2018 has been received from the Regional Director with several observations. The petitioner company has filed its response to the same vide Additional Affidavit dated 13th August 2018. The submissions vide the said Affidavit are as follows:
 - (i) The observations made vide para 2- a, c and d are factual statements pertaining to Service of Notice for the proposed Scheme, nature of the proposed Scheme and jurisdiction of the Regional Director and rationale of the proposed Scheme.
 - (ii) Vide para 2 (b) it has been observed by the Regional Director that Section 234 refers only to cross border mergers and amalgamations and that the same does not refer to De-mergers. In this regard it is submitted on behalf of the petitioner that all the applicable sections of the Companies Act, viz. 230 to 232 have the same nomenclature

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as mergers and amalgamations. However, looking at the provisions of Section 232 (b) closely, it indicates that the undertaking being transferred could be whole or any part of the undertaking of the Petitioner Transferor Company. This permissible transfer of part of the undertaking implies de-merger and all other applicable provisions of the Act for merger or amalgamation can be applied even to the scheme of De-merger involving transfer of any part of the Undertaking. Further, Section 234 (1) in the opening part itself, confirms that the said section shall apply mutatis mutandis to the schemes of mergers and amalgamations. This view is also supported by Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 where Regulation 9 provides as under.

“9. Merger or demerger or amalgamation of Indian companies

(1) Where a Scheme of merger or amalgamation of two or more Indian companies or a reconstruction by way of **demerger or otherwise of an Indian company, has been approved by National Company Law Tribunal (NCLT)/** Competent Authority, the transferee company or the new company, as the case may be, may issue capital instruments to the existing holders of the transferor company resident outside India, subject to the following conditions, namely:

(a) The transfer or issue is in compliance with the entry routes, sectoral caps or investment limits, as the case may be, and the attendant conditionalities of investment by a person resident outside India; Provided that where the percentage is likely to breach the Sectoral caps or the attendant conditionalities, the transferor company or the transferee or new company may obtain necessary approvals from the Central Government.

(b) The transferor company or the transferee company or the new company shall not engage in any sector prohibited for investment by a person resident outside India; and

Obviously if demerger was not covered, the Regulations would not have provided for the same. Hence, this observation is not required to be considered further.

(iii) The observation made vide para 2 (e) refers to the investments made by foreign shareholders in the Petitioner Transferee Company. This



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being part of the record of the Petitioner Transferee Company is not disputed. However, it has been clarified that the said Petitioner Transferee Company has complied with the applicable provisions of FEMA and RBI guidelines. Further, upon the present scheme being effective, requisite compliances shall be further made, if applicable.

- (iv) Para (f) of the said affidavit refers to non disclosure of the assets and liabilities which are proposed to be demerged and transferred to the Resulting Company i.e. Petitioner Transferee Company. In this regard, it has been submitted that the segmental balance sheet of Petitioner Transferor Company indicating bifurcation of assets and liabilities before the Transfer of the Specified Undertaking, of the Specified Undertaking and Remaining Undertaking as on 31st March, 2017 has already been placed on record as Annex. B-2.
- (v) Vide para 2 (g), the Regional Director has observed that the Petitioner Transferee Company be directed to undertake the compliance of Section 2 (19 AA) of the Income Tax Act, so far as De-merger is concerned. It has been pointed out that the Scheme has already provided vide clause 1.6 for the compliance of section 2 (19AA) of the Income Tax Act for the proposed De-merger. In view of the same, it is not necessary to further direct the Petitioner Transferee Company for such specific compliance.
- (vi) Vide para 2 (h), the Regional Director has observed that since the De-merged Company viz. Sun Pharma Global FZE is registered in Sharjah, the Petitioner Transferee Company be directed to undertake the compliance of applicable regulations in Sharjah. In this regard, it has been submitted that upon scheme being effective, requisite compliances shall be undertaken by the Petitioner Transferee Company or De-merged Company viz. Sun Pharma Global FZE, in Sharjah as may be required.
- (vii) Vide Para 2 (i), the Regional Director has taken note that though the Petitioner Transferee Company, is a listed company, requisite compliances in form of No Objection letters from the respective stock exchanges are not necessary in light of the SEBI Circular No.



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CFD/DIL3/CIR/2018/2dated 3rd January, 2018. The submissions in this regard are already considered in Para 2 hereinabove.

11. The Reserve Bank of India has not made any representation but vide the letter dated 13th June 2018 addressed to NCLT has indicated that the said authority is not inclined to vet the proposed Scheme of Arrangement on individual basis. The said authority has commented that the company is required to abide by the applicable rules and regulations. The petitioner has served the notice of hearing of petition as well on the said authority and no further response is filed by them. Perusing the communications and considering the compliance certificates presented by the petitioner, and considering the fact that RBI has not raised any specific objection with regard to the issue of prior approval to the proposed scheme, we are of the opinion that Deemed Approval to the Scheme from RBI can be implied. In the facts and circumstances, the petitioner is hereby directed to comply with the applicable rules and regulations under FEMA and other RBI guidelines.
12. In compliance with the proviso to sub-section (7) of Section 230, the petitioner companies have placed on record the certificates of Chartered Accountant dated 20th December 2017, confirming that the accounting treatment envisaged under the said scheme of Arrangement is in compliance with the applicable Accounting Standards notified by Central Govt. in section 133 of the Companies Act, 2013. The same have been placed on record as Annexure-'K' to the present petition.
13. Considering the entire facts and circumstances of the case and on perusal of the Scheme and the documents produced on record, the proposed Scheme of Arrangement is allowed on the following conditions:
 - (i) It is admitted position that number of proceedings are pending before the competent authority of Income-tax Department including appellate authority. Hence, this Scheme nowhere come on the way/deter the petitioners (both Transferor/Transferee) to comply with the order/judgment passed by the competent authorities/appellate authority or any higher court of law, whether it were/are pre or post liabilities.



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(ii) That the petitioners shall abide by the tax implication, if any, arising out of this Scheme. Further approval of the Scheme by this Bench/Tribunal shall not deter/affect, any other competent authority(ies) in enforcing existing laws of the land, time being in force.

(iii) Petitioner Company is directed to accept the liability(ies) arise/arisen if any, on account of lapses or contravention of statutory provisions prior or post the Scheme of Amalgamation, FEMA/RBI Regulations etc.

(iv) In case of issue or transfer of security by the Resultant Company, to a person resident outside India pursuant to this Inbound Merger, Petitioner Company is directed to comply with the pricing guideline, entry routes, sector caps, attendant conditions and reporting requirements for foreign investment laid down in the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulation, 2017.

(v) In the case of overseas wholly owned subsidiary transferor company merges with Indian Parent Company, Resultant Indian parent shall have to comply with the conditions prescribed for transfer of shares of such wholly owned subsidiary company as laid down in the Foreign Exchange Management (Transfer or Issue of Security) Regulation; 2004 (ODI Regulation) or as amended up to date.

(vi) Petitioner Company is directed to furnish reports as may be prescribed by the Reserve Bank of India to the respective authorities, if applicable.

(vii) In the case of overseas wholly owned subsidiary transferor company merges with Indian Parent Company, Resultant Indian Parent Company shall have to comply with the conditions prescribed for transfer of shares of such wholly owned subsidiary company as laid down in the Foreign Exchange management (Transfer or Issue of Security) Regulation, 2004 (ODI Regulation) or as amended up to date.

(viii) In the event of detection of any lapses on the part of the Petitioner De-merged/Transferee and/or Transferor/Resulting Company in compliance of any direction/guidelines and/or violation of any law for the time being in force, towards the Scheme of



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Arrangement, then the instant Scheme shall not come on the way/deter the competent authority(ies) to take any action for such violation or lapses.

(ix) The Petitioner Transferee Company shall comply with all the applicable provisions of the Income-tax Act and all tax issues, if any, arising out of the Scheme in accordance with the law.

(x) The Petitioner shall ensure the compliance of directions issued by Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) and Reserve Bank of India towards the aforesaid Scheme of Arrangement in the nature of demerger, if applicable.

(xi) The Petitioner Transferee Company shall make compliance of AS-14 (INDAS-103) and/or other applicable accounting standards which are necessary.

14. As a result, the petition being C P (CAA) No. 90 of 2018 is hereby allowed. The Scheme which is at Annexure- 'G' to the petition is hereby sanctioned and it is declared that the same shall be binding on the petitioner company, its shareholders, and all concerned under the scheme.

15. Filing and issuance of drawn up order is hereby dispensed with. All concerned authorities to act on a copy of this order along with the scheme duly authenticated by the Registrar of this Tribunal. The Registrar of this Tribunal shall issue the authenticated copy of this order along with Scheme immediately.

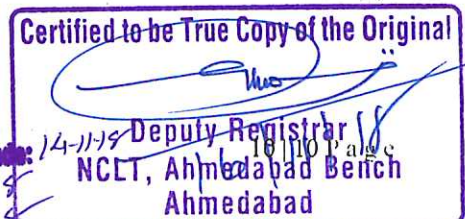
16. The Petitioner companies are directed to file a copy of this order along with a copy of the scheme with the concerned Registrar of Companies, electronically, along with INC-28 in addition to physical copy as per relevant provisions of the Act.

17. CP (CAA) No. 90 of 2018 is disposed of accordingly.



Manorama
Ms. Manorama Kumari
Member (Judicial)

Date of pronouncement of Order: 31-10-18
Date on which application for Certified Copy was made: 14-11-18
Date on which Certified Copy was ready: 16-11-18
Date on which Certified Copy delivered: 17-11-18



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19-11-16

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BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH

C P (CAA) NO. 90 OF 2018

CONNECTED WITH

CA (CAA) NO. 18 OF 2018

In the matter of the Companies Act, 2013;

AND

In the matter of Sections 230 to 232 read with
Section 234 and other applicable provisions of the
Companies Act, 2013;

AND

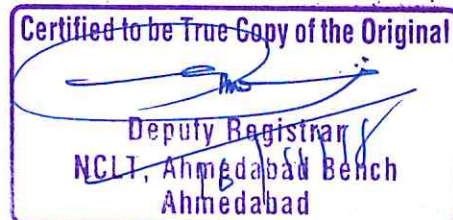
In the matter of Scheme of Arrangement among
Sun Pharma Global FZE and Sun Pharmaceutical
Industries Limited and their respective members
and creditors.

Sun Pharmaceutical Industries Limited.

(CIN: L24230GJ1993PLC019050).

A company registered under the provisions of
Companies Act, 1956 and having its registered
office at SPARC, Tandalja, Vadodara- 390 012,

in the State of Gujarat;..... **Petitioner Transferee Company**



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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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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 1st 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.

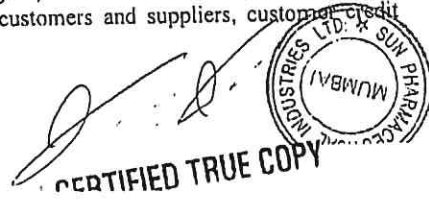
- (j) "NCLT" means Hon'ble National Company Law Tribunal of Gujarat at Ahmedabad.



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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:
- 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;
 - specific loans and borrowings raised, if any, incurred and utilized solely for the activities or operations of the Specified Business;
 - 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
<i>Total</i>	<i>AED 15,150,000</i>	<i>USD 4,124,694</i>

Issued, Subscribed and Paid up Share Capital:

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

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)
Authorised share capital	
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
Total	600,00,00,000
Issued, subscribed and paid-up share capital	
239,92,91,181 fully-paid up equity shares of face value of INR 1/- each	239,92,91,181
Total	239,92,91,181

Notes:

- The issued, subscribed and paid-up share capital includes equity shares held by Sun Pharma Employees Stock Option Plan Trust.
- 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)
Authorised share capital	
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
Total	600,00,00,000
Issued, subscribed and paid-up share capital	
239,93,08,086 fully-paid up equity shares of face value of INR 1/- each	239,93,08,086
Total	239,93,08,086

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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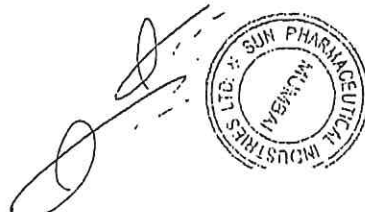
- (r) Upon the coming into effect of this Scheme of Arrangement, the Transferee Company alone shall be liable to perform all obligations in respect of the liabilities (including contingent liabilities) from the Appointed Date, which have been incurred by the Transferor Company for and on behalf of the 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

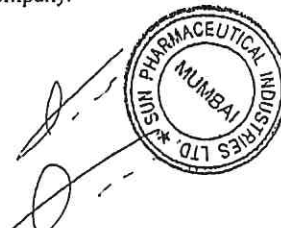
This Scheme of Arrangement set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT as the case may be, in terms of Clause 15 of the Scheme, shall be operative from the Effective Date and effective from Appointed Date.

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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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.

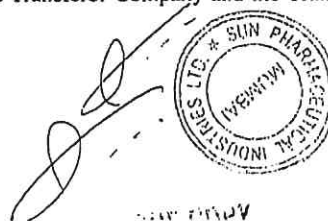
16. SEVERABILITY

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.:

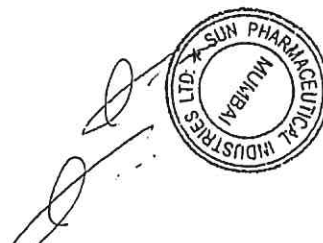
- (a) The date on which the last of all the consents, approvals, permissions resolutions sanctions and/or orders as are hereinabove referred to have been obtained or passed; and
- (b) The date on which all necessary certified copies of the order under the Act are duly filed with the Registrar of Companies, 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.



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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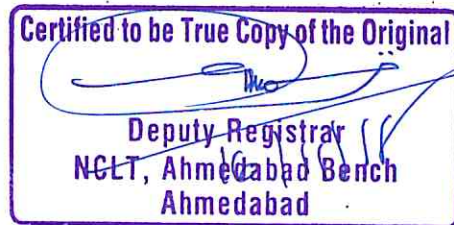
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In view of Paragraph 14 of the final order dated 31st October 2018, passed by the Hon'ble National Company Law Tribunal, Bench at Ahmedabad in C.P. (CAA) No. 99/NCLT/AHM/2018 the Scheme of Arrangement is hereby authenticated.

Registrar



This ____ day of November 2018



Date of pronouncement of Order: 14-11-18
Date on which application for Certified Copy was made: 14-11-18
Date on which Certified Copy was ready: 16-11-18
Date on which Certified Copy delivered: 19-11-18