Exhibit - 2 7

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

CERTIFIED TRUE COPY

SUN PHARMACEUTICAL INDS. LTD. MUMBAI

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) **<u>The Transferor Company 1:</u>** 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) **<u>The Transferor Company 2:</u>** 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, Tandalja, 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, Tandalja, 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) **<u>The Transferee Company:</u>** 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

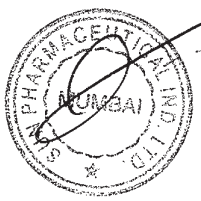
(m) ***'Transferor Company 4'*** shall have the same meaning as ascribed to it in Clause 1.1 above

(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



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 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 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

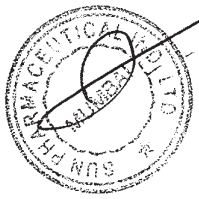
The share capital of the Transferor Company 2 as on September 30, 2016 is as set out below:

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:

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	
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:

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	
239,92,53,959 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.

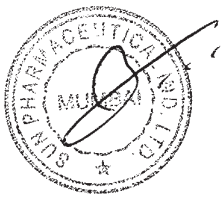
4.2. *Transfer of Assets*: Without prejudice to the generality of Clause 4.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:

(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 depositee, 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,

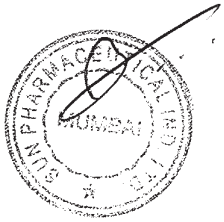


registrations, incentives, subsidies, concessions, grants, rights, claims, liberties, special status, other benefits or privileges and any powers of attorney given by, issued to or executed in favour of the Transferor Companies including in relation to the Undertakings of the Transferor Companies, and 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 deem 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



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

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

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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

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 co-operate 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

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

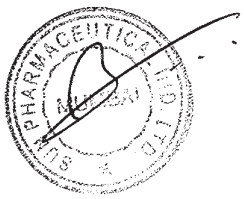
9.1. This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified in Section 2(1B) and other relevant provisions of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section 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 TRANSFEREE 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.

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

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.

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.

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.

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. I. Bhuta

ASHOK I. BHUTA
Compliance Officer