Annexure B

SCHEME OF AMALGAMATION
By way of Merger by Absorption

Under Sections 230 to 232 of the Companies Act, 2013

AMONG

GLAXOSMITHKLINE CONSUMER HEALTHCARE LIMITED ... **TRANSFEROR COMPANY**

HINDUSTAN UNILEVER LIMITED ... **TRANSFEREE COMPANY**

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

GlaxoSmithKline Consumer Healthcare Ltd.

PART I

GENERAL

A. Description of Parties

1. GlaxoSmithKline Consumer Healthcare Limited is a public company, limited by shares, incorporated under the Companies Act, 1956, under corporate identification number L24231PB1958PLC002257 and having its registered office at Patiala Road, Nabha – 147 201 (Punjab) (hereinafter referred to as the "**Transferor Company**"). The equity shares of the Transferor Company are listed on the BSE Limited and the National Stock Exchange of India Limited (together the "**Stock Exchanges**"). The Transferor Company is primarily engaged in the business of manufacturing, marketing, distribution and/or sales of health food drinks products, in certain territories.

2. Hindustan Unilever Limited is a public company, limited by shares, incorporated under the Indian Companies Act, 1913, under corporate identification number L15140MH1933PLC002030 and having its registered office at Unilever House, B D Sawant Marg Chakala, Andheri East, Mumbai, Maharashtra, India (hereinafter referred to as the "**Transferee Company**"). The equity shares of the Transferee Company are listed on the Stock Exchanges. The Transferee Company is engaged, *inter alia,* in the business of manufacturing, marketing, distribution and/or sales of fast-moving consumer goods.

B. Description of the Scheme

3. This Scheme (as defined hereunder) provides, *inter alia,* for:

   (i) the amalgamation of the Transferor Company into the Transferee Company, by way of merger by absorption and dissolution of the Transferor Company without winding up and the consequent issuance of the Transferee Company Shares (as defined hereunder) in accordance with the Share Exchange Ratio (as defined hereunder) to the Eligible Members (as defined hereunder), in respect of each share of the Transferor Company held by them in accordance with this Scheme ("**Amalgamation**");

   (ii) various other matters incidental, consequential or otherwise integrally connected therewith, including the increase in the share capital of the Transferee Company,

   pursuant to Sections 230 to 232 and other relevant provisions of the Act in the manner provided for in this Scheme and in compliance with the provisions of the IT Act (as defined hereunder).

4. The Amalgamation of the Transferor Company into the Transferee Company shall be in full compliance with the conditions relating to "amalgamation" as provided under Section 2(1B) and other related provisions of the IT Act such that, *inter alia*:

   (i) all the properties of the Transferor Company, immediately before the Amalgamation, shall become the properties of the Transferee Company, by virtue of the Amalgamation;

   (ii) all the liabilities of the Transferor Company, immediately before the Amalgamation, shall become the liabilities of the Transferee Company, by virtue of the Amalgamation; and

(iii) shareholders holding at least three fourths in value of the shares in the Transferor Company, will become shareholders of the Transferee Company by virtue of the Amalgamation.

C. Rationale for the Scheme

5. The Amalgamation pursuant to this Scheme would, *inter alia,* have the following benefits:

(i) The Transferor Company is one of the key players in the foods and refreshment (F&R) category with iconic brands such as 'Horlicks' and 'Boost' and comprises of a wide product portfolio. Pursuant to the strategic review of the 'Horlicks' and other consumer healthcare nutrition products business in India, the Transferor Company has decided to undertake amalgamation of the business of the Transferor Company with the Transferee Company.

(ii) The Amalgamation is in line with the Transferee Company's strategy to build a sustainable and profitable F&R business in India. The Transferor Company and the Transferee Company expect significant synergies through supply chain opportunities and operational improvements, go-to-market and distribution network optimization, scale efficiencies in cost areas such as marketing, and optimization of overlapping infrastructure.

(iii) The Amalgamation will result in consolidation of the businesses of the companies' resulting in expansion of the consolidated business and creation of greater value for shareholders and all other stakeholders; and

(iv) The Amalgamation would be in the best interest of the public shareholders of the Transferor Company, as they would continue to play a part in the Indian consumer growth through one of India's leading fast moving consumer goods companies i.e. the Transferee Company.

6. This Scheme is divided into the following parts:

(i) Part I, which deals with the introduction and definitions, and sets out the share capital of the Transferor Company and the Transferee Company;

(ii) Part II, which deals with the Amalgamation;

(iii) Part III, which deals with the changes to share capital of the Transferor Company and the Transferee Company; and

(iv) Part IV, which deals with the general terms and conditions applicable to the Scheme.

D. Definitions

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

(A) "**Act**" shall mean the Companies Act, 2013 as amended from time to time, and shall include any other statutory re-enactment thereof, read with all surviving and applicable provisions of the Companies Act, 1956 and shall include all rules, regulations, circulars, notifications, guidelines made or issued in relation thereto, from time to time;

(B) "**Amalgamation**" shall have the meaning ascribed to it in Clause 3(i) above;

(C) "**Applicable Law**" shall mean any applicable law, statute, ordinance, rule, regulation, guideline or policy having the force of law, of any Governmental Authority;

(D) "**Appointed Date**" shall mean the same date as the Effective Date or such other date that is mutually agreed in writing between the Transferor Company and the Transferee Company;

(E) "**Board**" in relation to any company, means the board of directors of such company and shall, where applicable, include a duly authorised committee of the Board;

(F) "**CCI**" means the Competition Commission of India, as established under the Competition Act, 2002;

(G) "**Effective Date**" means the date of the Board meetings of the Transferor Company and the Transferee Company held to declare this Scheme effective, which will be no later than 5 (Five) days (unless extended by mutual written agreement between the Transferor Company and the Transferee Company), following satisfaction or waiver (to the extent possible under Applicable Law) of the conditions set out in Clause 26 (other than those conditions that by their nature are to be satisfied on the Effective Date);

References in this Scheme to the date of "**coming into effect of this Scheme**" or "**effectiveness of this Scheme**" shall mean the Effective Date;

(H) "**Eligible Member**" shall mean each person whose name appears in the register of members of the Transferor Company and/or whose name appears as the beneficial owner of the Transferor Company Shares in the record of depositories on the Record Date at the Record Time;

(I) "**Employee Benefit Funds**" shall mean existing benefits including provident fund, gratuity fund and superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created for employees;

(J) "**Encumbrance**" or "**Encumber**" means any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, title retention or any other agreement or arrangement the effect of which is the creation of security, or any other right to acquire or option, any right of first refusal or any right of pre-emption, or any agreement or arrangement to create any of the same;

(K) "**Governmental Authority**" means: (a) any national, federal, provincial, state, city, municipal, county or local government, governmental authority or political subdivision thereof; (b) any agency or instrumentality of any of the authorities referred to in clause (a); (c) any non-governmental regulatory or administrative authority, body or other organization, to the extent that the rules, regulations, standards, requirements, procedures or orders of such authority, body or other organization have the force of law; or (d) any court or tribunal having jurisdiction and including, without limitation or prejudice to the generality of the foregoing, SEBI, the RBI, the NCLT and any Tax Authority;

(L) "**Governmental Order**" means any judgment, order, writ, injunction, decree, decision or other requirement of any Governmental Authority (or, as the context requires, any Governmental Authority specified) other than any competition or anti-trust authority other than the Competition Commission of India;

(M) "**HUL Performance Share Scheme**" means the employee stock option scheme adopted by the Transferee Company at its annual general meeting dated July 23, 2012 or any other previous schemes of similar nature;

(N) "**IT Act**" shall mean the Income Tax Act, 1961 or any modifications or re-enactments or amendments thereof from time to time;

(O) "**NCLT**" shall mean the National Company Law Tribunal at Mumbai, Maharashtra or Chandigarh, Punjab, as the context may require;

(P) "**Record Date**" shall mean the date fixed by the respective Board of the Transferor Company and Transferee Company for the purpose of determining the shareholders of the Transferor Company to whom the Transferee Company Shares shall be allotted under this Scheme;

(Q) "**Record Time**" means 6:00pm (Indian Time) on the Record Date;

(R) "**Schedules**" shall mean schedules to this Scheme;

(S) "**Scheme**" means this scheme of amalgamation by way of merger by absorption including any modification or amendment hereto, made in accordance with the terms hereof;

(T) "**SEBI**" means the Securities and Exchange Board of India;

(U) "**SEBI Listing Regulations**" means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and shall include any statutory modification, amendment, and re-enactment thereof for the time being in force or any act, regulations, rules, guidelines etc., that may replace such regulations;

(V) "**SEBI Scheme Circular**" means the SEBI Circular dated March 10, 2017, bearing reference number CFD/DIL3/CIR/2017/21, as amended or replaced from time to time;

(W) "**Share Exchange Ratio**" shall have the meaning ascribed to it in Clause 18(i);

(X) "**Stock Exchanges**" shall have the meaning ascribed to it in Clause 1 above;

(Y) "**Tax**" or "**Taxes**" means any and all taxes (direct or indirect), surcharges, fees, levies, duties, tariffs, imposts and other charges of any kind in each case in the nature of a tax, imposed by any Governmental Authority (whether payable directly or by withholding), including taxes based upon or measured by income, windfall or other profits, gross receipts, property, sales, severance, branch profits, customs duties, excise, CENVAT, withholding tax, self-assessment tax, advance tax, service tax, goods and services tax, stamp duty, transfer tax, value-added tax, minimum alternate tax, banking cash transaction tax, securities transaction tax, taxes withheld or paid in a foreign country, customs duty and registration fees (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto).

(Z) "**Transferee Company**" shall have the meaning ascribed to it in Clause 2 above;

(AA) "**Transferee Company Shares**" means fully paid up equity shares of the Transferee Company, each having a face value of INR 1 (Rupee One only) and one vote per equity share;

(BB) "**Transferor Company**" shall have the meaning ascribed to it in Clause 1 above;

(CC) "**Transferor Company Employees**" shall mean all the employees of the Transferor Company as on the Effective Date;

(DD) "**Transferor Company Shares**" means fully paid up equity shares of the Transferor Company, each having a face value of INR 10 (Rupee Ten only) and one vote per equity share;

(EE) "**Trustee**" shall have the meaning ascribed to it in Clause 18(ii) hereof;

(FF) "**Undertaking**" means all the undertakings and entire business of the Transferor Company, as a going concern, and shall include (without limitation):

(i) all assets and properties (whether movable or immovable, tangible or intangible, present or future, in possession or reversion, of whatsoever nature and wherever situate) of the Transferor Company, including the manufacturing facilities of the Transferor Company at Nabha (Punjab), Sonepat (Haryana) and Rajahmundry (Andhra Pradesh) and the underlying movable and immovable properties pertaining to such facilities, and including investments of all kinds including but not limited to securities (marketable or not), securitised assets, receivables and security receipts, mutual fund investments, all cash and bank balances (including cash and bank balances deposited with any banks or entities), money at call and short notice, loans, advances, contingent rights or benefits, reserves, provisions, funds, benefits of all agreements, bonds, debentures, debenture stock, units or pass through certificates, lands, buildings, structures and premises, whether leasehold or freehold (including offices, warehouses, sales and / or marketing offices, liaison offices, branches, factories), work-in-progress, current assets (including sundry debtors, bills of exchange, loans and advances), fixed assets, vehicles, furniture, fixtures, share of any joint assets, and other facilities;

(ii) all permits, registrations, rights, entitlements, licenses, permissions, approvals, subsidies, concessions, clearances, credits, awards, sanctions, allotments, quotas, no-objection certificates, subsidies, Tax deferrals, Tax credits, (including any credits arising from advance Tax, self-assessment Tax, other income Tax credits, withholding Tax credits, minimum alternate Tax credits, CENVAT credits, goods and services Tax credits, other indirect Tax credits and other Tax receivables), other claims under Tax laws, incentives (including incentives in respect of income Tax, sales Tax, value added Tax, service Tax, custom duties and goods and services Tax), benefits, Tax exemptions, Tax refunds (including those pending with any Tax authority), advantages, benefits and all other rights and facilities of every kind, nature and description whatsoever; authorities, consents, deposits, privileges, exemptions available to the Transferor Company, receivables, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, email, internet, leased line connections and installations, electricity and other services, provisions and benefits of all engagements, agreements, contracts, letters of intent, memoranda of understanding, cheques and other negotiable instruments (including post-dated cheques), benefit of assets or properties or other interest held in trust, benefit of any security arrangements, expressions of interest whether under agreement or otherwise, and arrangements and all other interests of every kind, nature and description whatsoever enjoyed or conferred upon or held or availed of by and all rights and benefits;

(iii) all contracts, agreements, memoranda of undertakings, memoranda of agreements, arrangements, undertakings, whether written or otherwise, deeds, service agreements, or other instruments (including all tenancies, leases, and other assurances in favour of the Transferor Company or powers or authorities granted by or to it) of whatsoever nature along with any contractual rights and obligations, 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;

(iv) all intellectual property rights including patents, copyrights, trade and service names, service marks, trademarks, domain names and other intellectual property of any nature whatsoever, goodwill, receivables, belonging to or utilized for the business and activities of the Transferor Company;

(v) all records, files, papers, computer programs, software licenses, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers, suppliers and employees, customer credit information, customer pricing information, and other records whether in physical or electronic form belonging to or held by the Transferor Company;

(vi) all present, and contingent future liabilities of the Transferor Company including all debts, loans (whether denominated in rupees or a foreign currency), term deposits, time and demand liabilities, borrowings, bills payable, interest accrued and all other duties, liabilities, undertakings and obligations (including any postdated cheques or guarantees, letters of credit, letters of comfort or other instruments which may give rise to a contingent liability in whatever form); and

(vii) the Transferor Company Employees and the Employee Benefit Funds of the Transferor Company.

8. **Share Capital**

(i) The share capital structure of the Transferor Company as on September 30, 2018 is as follows:

Particulars	Amount in INR
Authorised 6,00,00,000 equity shares of INR 10 each	INR 60,00,00,000
Issued and Subscribed Share Capital 4,20,55,538 equity shares of INR 10 each	INR 42,05,55,380
Fully Paid-up Share Capital 4,20,55,538 equity shares of INR 10 each	INR 42,05,55,380

The equity shares of the Transferor Company are listed on Stock Exchanges.

(ii) The share capital structure of the Transferee Company as on September 30, 2018 is as follows:

Particulars	Amount (in INR)
Authorised 2,25,00,00,000 equity shares of INR 1 each	INR 2,25,00,00,000
* **Issued and Subscribed Share Capital** 2,21,77,67,919 equity shares of INR 1 each	INR 2,21,77,67,919
* **Fully Paid-up Share Capital** 2,16,46,48,943 equity shares of INR 1 each.	INR 2,16,46,48,943

* The difference between Issued Capital & Paid-up Capital is due to the Buyback made from open Market as per Special Resolution passed through Postal Ballot on 14th September, 2007 and 26th July 2010. The total number of shares bought back under the Scheme was 302,35,772 and 2,28,83,204 respectively.

The equity shares of the Transferee Company are listed on Stock Exchanges.

The Transferee Company has outstanding employee stock options under HUL Performance Share Scheme, the exercise of which may result in an increase in the issued and paid-up share capital of the Transferee Company.

GlaxoSmithKline Consumer Healthcare Ltd.

PART II

AMALGAMATION OF THE TRANSFEROR COMPANY INTO THE TRANSFEREE COMPANY

9. **Transfer**

With effect from the Appointed Date, the Transferor Company shall stand amalgamated into the Transferee Company and its Undertaking shall, pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, be and stand transferred to and vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing so as to become, the undertaking of the Transferee Company by virtue of and in the manner provided in the Scheme.

10. **Transfer of Assets**

(i) Without prejudice to the generality of Clause 9 above, with effect from the Appointed Date, all the estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances of the Undertaking, of whatsoever nature and wherever situate, whether or not included in the books of the Transferor Company shall, subject to the provisions of this Clause 10 in relation to the mode of vesting and pursuant to Sections 230 to 232 of the Act and without any further act, deed, matter or thing, be and stand transferred to and vested in or shall be deemed to have been transferred to and vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interest authorities of the Transferee Company.

(ii) In respect of such of the assets of the Transferor Company as are movable in nature or are otherwise capable of transfer by delivery of possession, payment or by endorsement and delivery, the same may be so transferred by the Transferor Company, and shall become the property of the Transferee Company with effect from the Appointed Date pursuant to the provisions of Section 230 to 232 of the Act without requiring any deed or instrument of conveyance for transfer of the same.

(iii) In respect of such of the assets belonging to the Transferor Company other than those referred to in sub-clause (ii) above, the same shall, as more particularly provided in sub-clause (i) 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 with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.

11. **Contracts, Deeds, Licenses etc.**

(i) 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, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible or for the obligations of which the Transferor Company may be liable, and which are subsisting or have effect immediately before the Appointed Date, shall continue in full force and effect on or against or in favour, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.

(ii) 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, execute 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 to be executed in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of Part II of this Scheme, be deemed to be authorised to execute any such writings as a successor 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.

(iii) 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 and subject to Applicable Law, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company shall stand transferred to the Transferee Company 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 any Governmental Authority as may be necessary in this behalf.

(iv) Without prejudice to the provisions of Clauses 12 to 15, with effect from the Appointed Date, all transactions between the Transferor Company and the Transferee Company, if any, that have not been completed, shall stand cancelled.

12. **Transfer of Liabilities**

(i) With effect from the Appointed Date, all debts, liabilities, loans raised and used, duties and obligations of the Transferor Company, whether or not recorded in its books and records shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in and be deemed to be transferred to and vested in the Transferee Company to the extent that they are outstanding on the Appointed Date so as to become as and from the Appointed Date the debts, liabilities, loans, obligations and duties of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company and the Transferee Company shall meet, discharge and satisfy the same and further 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 by virtue of which such debts or liabilities have arisen in order to give effect to the provisions of this Clause 12.

(ii) All Encumbrances, if any, existing prior to the Appointed Date over the assets of the Transferor Company shall, after the Appointed 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 Appointed Date.

(iii) Without prejudice to the provisions of the foregoing Clauses the Transferee Company shall execute any instrument/s and/or document/s and/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 jurisdictional registrar of companies to give formal effect to the above provisions, if required.

(iv) It is hereby clarified that, unless expressly provided for, 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 by virtue of which such debts and liabilities, have arisen, in order to give effect to the provisions of this Clause 12.

(v) Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Clause 12 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.

13. **Legal, taxation and other proceedings**

(i) Upon the coming into effect of this Scheme, all legal, taxation or other proceedings, whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal or courts), by or against the Transferor Company, under any statute, pending on the Appointed Date, shall be continued and enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted by or against, as the case may be, the Transferee Company.

(ii) The Transferee Company shall have all legal, taxation or other proceedings initiated by or against the Transferor Company referred to in Clause 13(i) above transferred to its name as soon as is reasonably possible after the Appointed Date and to have the same continued, prosecuted and enforced by or against the Transferee Company, as a successor of the Transferor Company.

14. **Employees**

(i) Upon the coming into effect of this Scheme, all Transferor Company Employees shall become the employees of the Transferee Company, subject to the provisions hereof without any break in their service and on the basis of continuity of service and, on terms and conditions no less favourable than those on which they are engaged by the Transferor Company and without any interruption of service as a result of the Amalgamation. For the purpose of payment of any compensation, gratuity and other terminal benefits, the uninterrupted past services of such Transferor Company Employees with the Transferor Company shall also be taken into account, and paid (as and when payable) by the Transferee Company.

(ii) In so far as the Employee Benefit Funds created by the Transferor Company or in respect of which the Transferor Company makes contributions, for the Transferor Company Employees, all amounts standing to the credit of the Transferor Company Employees in such Employee Benefit Funds and investments made by such Employee Benefit Funds shall be transferred to such Employee Benefit Funds nominated by the Transferee Company and/or such new Employee Benefit Funds to be established and caused to be recognized by appropriate Governmental Authorities, by the Transferee Company.

(iii) In relation to those Transferor Company Employees who are not covered under the provident fund trust of the Transferor Company or who do not enjoy the benefit of any other provident fund trust, and for whom the Transferor Company is making contributions to the government provident fund, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such employees, such that all the rights, duties, powers and obligations of the Transferor Company in relation to such provident fund trust shall become those of the Transferee Company.

(iv) Pending the transfer as aforesaid, the Employee Benefit Fund dues of the Transferor Company Employees would be continued to be deposited in the existing Employee Benefit Funds of the Transferor Company. It is clarified that upon transfer of the aforesaid funds to the respective funds of the Transferee Company, the existing trusts created for such funds by the Transferor Company shall stand dissolved.

(v) Notwithstanding the aforesaid, the Board of the Transferee Company, if it deems fit and subject to Applicable Law, shall be entitled to:

(a) retain separate trusts or funds within the Transferee Company for the erstwhile fund(s) of the Transferor Company; or

(b) merge the pre-existing funds of the Transferor Company with other similar funds of the Transferee Company.

15. **Treatment of Taxes**

(i) Upon the scheme becoming effective:

(a) To the extent required, the Transferor Company and the Transferee Company shall be permitted to revise and file their respective income tax returns, withholding tax returns (including Tax deducted at source certificates), sales tax, value added tax, service tax, central sales tax, entry tax, goods and services tax returns and any other tax returns: and

(b) The Transferee Company shall be entitled to: (a) claim deduction with respect to items such as provisions, expenses, etc. disallowed in earlier years in the hands of the Transferor Company, which may be allowable in accordance with the provisions of the IT Act on or after the Appointed Date: and (b) exclude items such as provisions, reversals, etc. for which no deduction or Tax benefit has been claimed by the Transferor Company prior to the Appointed Date.

(ii) Upon the Scheme becoming effective, notwithstanding anything to the contrary contained in the provisions of this Scheme, unabsorbed Tax depreciation, minimum alternate tax credit, if any, of the Transferor Company as on the Effective Date, shall, for all purposes, be treated as unabsorbed Tax depreciation, minimum alternate tax credit of the Transferee Company. It is further clarified that any unabsorbed depreciation of the Transferor Company as specified in their respective books of accounts shall be included as unabsorbed depreciation of the Transferee Company for the purposes of computation of minimum alternate tax.

(iii) Upon the Scheme becoming effective, the Transferee Company shall be entitled to claim refunds (including refunds or claims pending with the Tax authorities) or credits, with respect to Taxes paid by, for, or on behalf of, the Transferor Company under Applicable Law (including Tax laws).

(iv) Upon the Scheme becoming effective, all Taxes, cess, duties and liabilities (direct and indirect), payable by or on behalf of the Transferor Company, shall, for all purposes, be treated as Taxes, cess, duties and liabilities, as the case may be, payable by the Transferee Company.

(v) Upon the Scheme becoming effective, all unavailed credits and exemptions and other

statutory benefits, including in respect of income Tax, CENVAT, customs, value added Tax, sales Tax, service tax, entry Tax and goods and service Tax to which the Transferor Company is entitled shall be available to and vest in the Transferee Company, without any further act or deed.

(vi) Any tax liability under the IT Act, or any other applicable Tax laws or regulations allocable to the Transferor Company whether or not provided for or covered by any Tax provisions in the accounts of the Transferor Company made as on the date immediately preceding the Effective Date, shall be transferred to the Transferee Company. Any surplus in the provision for Taxation or duties or levies in the accounts of the Transferor Company, including advance Tax and Tax deducted at source as on the close of business in India on the date immediately preceding the Effective Date will also be transferred to the account of the Transferee Company.

(vii) All Tax assessment proceedings and appeals of whatsoever nature by or against the Transferor Company, pending or arising as at the Effective Date, shall be continued and/or 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 Company. Further, the aforementioned proceedings shall neither abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in this Scheme.

(viii) Any refund under the IT Act or any other Tax laws related to or due to the Transferor Company, including those for which no credit is taken as on the date immediately preceding the Effective Date, shall also belong to and be received by the Transferee Company.

(ix) Without prejudice to the generality of the above, all benefits, incentives, claims, losses, credits (including income Tax, service Tax, excise duty, goods and service Tax and applicable state value added Tax) to which the Transferor Company is entitled to in terms of applicable Tax laws, shall be available to and vest in the Transferee Company from the Effective Date.

(x) All the expenses incurred by the Transferor Company and the Transferee Company in relation to the amalgamation of the Transferor Company with the Transferee Company in accordance with this Scheme, including stamp duty expenses, if any, shall be allowed as deduction to the Transferee Company in accordance with section 35DD of the IT Act over a period of five (5) years beginning with the financial year in which this Scheme becomes effective.

16. **Conduct**

During the period between the approval of the Scheme by the Board of the Transferor Company and the Board of the Transferee Company and the Effective Date, the business of the Transferor Company shall be carried out with diligence and business prudence in the ordinary course consistent with past practice in good faith and in accordance with Applicable Law.

17. **Saving of concluded transactions**

Subject to Clause 15 above, the transfer of assets and liabilities to, and the continuance of proceedings by or against, the Transferee Company as envisaged in this Scheme shall not affect any transaction or proceedings already concluded by the Transferor Company on or

before the Appointed Date (subject to the terms of any agreement with the Transferee Company) to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

18. **Issuance of Transferee Company Shares for Amalgamation**

(i) Upon the effectiveness of the Scheme and in consideration of the Amalgamation including the transfer and vesting of the Undertaking in the Transferee Company pursuant to this Scheme, the Transferee Company shall, as soon as possible after the Record Date and in any even no later than 15 (fifteen) days from the Record Date, or such other date as may be required by the Stock Exchanges, complete allotment of the Transferee Company Shares in favour of the Eligible Members such that 4.39 (four decimal three nine) Transferee Company Shares, shall be credited as fully paid-up, for every 1 (one) Transferor Company Shares, held by each Eligible Member (the "**Share Exchange Ratio**").

(ii) If any Eligible Member becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of equity shares by the Transferee Company in accordance with this Scheme, the Board of the Transferee Company shall consolidate all such fractional entitlements and shall, without any further application, act, instrument or deed, issue and allot such consolidated equity shares directly to an individual trust or a board of trustees or a corporate trustee or a SEBI registered merchant banker nominated by the Transferee Company (the "**Trustee**"), who shall hold such equity shares 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 equity shares in the market at such price or prices and on such time or times within 60 (sixty) days from the date of allotment, as the Trustee may in its sole discretion decide and on such sale, pay to the Transferee Company, the net sale proceeds (after deduction of applicable taxes and costs incurred) thereof and any additions and accretions, whereupon the Transferee Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned Eligible Member in proportion to their respective fractional entitlements.

(iii) In the event of there being any pending share transfers, whether lodged or outstanding, of any member of the Transferor Company, the Board 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 registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor of the shares in the Transferor Company and in relation to the shares issued by the Transferee Company, after the effectiveness of the Scheme. The Board of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in the Transferee Company on account of difficulties faced in the transaction period.

(iv) The issue and allotment of the Transferee Company Shares by the Transferee Company to Eligible Members as provided in this Scheme is an integral part thereof and shall be deemed to have been carried out as if the procedure laid down under Section 62 read with Section 42 of the Act and any other applicable provisions of the Act were duly complied with.

(v) Where Transferee Company 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 the Transferee Company.

(vi) Promptly upon the issuance of the Transferee Company Shares pursuant to this Clause 18, the Transferee Company shall prepare and file applications, along with all supporting documents, to obtain approval from SEBI and the Stock Exchanges, for listing of such Transferee Company Shares. Immediately upon receipt of such approval, the Transferee Company shall take all necessary steps to obtain trading approval for the Transferee Company Shares. The Transferee Company shall ensure that steps for listing of the Transferee Company Shares are completed and trading of Transferee Company Shares are completed and trading of the Transferee Company Shares commences within the period prescribed the time period under the SEBI Scheme Circular. The Transferee Company Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are given by the relevant Stock Exchanges.

(vii) The Transferee Company Shares to be issued and allotted by the Transferee Company in terms of this Scheme shall be subject to the provisions of the memorandum and articles of association of the Transferee Company and shall rank *pari passu* in all respects and shall have the same rights attached to the then existing equity shares of the Transferee Company.

(viii) If any consolidation, stock split, sub division, reorganization, reclassification or other similar action in relation to the share capital of the Transferor Company or the Transferee Company, that occurs after the date of approval of the Scheme by the Board of Transferor Company and the Board of Transferee Company, and on or before the Effective Date, the Share Exchange Ratio shall be subject to equitable adjustments by the directors of the relevant company to reflect such corporate action in such a manner as the relevant company's auditors may determine to be appropriate to reflect such corporate action.

(ix) The Transferee Company Shares shall be issued in dematerialized form to all Eligible Shareholders holding the Transferor Company Shares, in accordance with the Applicable Laws.

(x) The Transferee Company Shares to be issued by the Transferee Company in respect of the Transferor Company Shares, the allotment or transfer of which is held in abeyance under Applicable Law shall, pending allotment or settlement of dispute by order of the appropriate court or otherwise, also be kept in abeyance in like manner by the Transferee Company.

(xi) The Transferee Company Shares issued pursuant to this Scheme have not been, and will not be registered under the United States Securities Act of 1933 ("**Securities Act**") in reliance upon the exemption from the registration requirements under the Securities Act provided by Section 3(a)(10) of the Securities Act (the "**Section 3(a)(10) Exemption**"). The sanction of the NCLT to this Scheme will be relied upon for the purpose of qualifying the issuance and distribution of the Transferee Company Shares issued pursuant to this Scheme for the Section 3(a)(10) Exemption, if applicable. Further, for purposes of ensuring that the Scheme complies with the requirements of Section 3(a)(10) Exemption, each of the Transferor Company and the Transferee Company undertake that:

(a) Eligible Members, as against their equity shares in the Transferor Company, shall receive the equity shares of the Transferee Company and shall not receive cash or other consideration; and

(b) the Scheme shall become effective only after it has been approved by the NCLT following the hearings by the NCLT.

GlaxoSmithKline Consumer Healthcare Ltd.

PART III

CHANGES TO THE SHARE CAPITAL OF THE TRANSFEROR COMPANY AND THE TRANSFEREE COMPANY

19. **Re-organisation of the authorised share capital of the Transferor Company**

(i) Upon this Scheme becoming effective, in part or in whole, and as an integral part of the Scheme, the resultant authorized, issued, subscribed and paid up share capital of the Transferor Company shall be reclassified/ reorganized such that each equity share of INR 10 each of the Transferor Company is reclassified/ reorganized as 10 equity shares of INR 1 each.

(ii) It is clarified that the approval of the shareholders of the Transferor Company to this Scheme shall be deemed to be their consent/ approval to the reclassification of the authorized share capital envisaged under Clause 19(i) above as required under Sections 13, 61 and other applicable provisions of the Act.

20. **Consolidation of the authorised share capital of the Transferor Company with the authorised capital of the Transferee Company**

Upon this Scheme becoming effective and pursuant to the reclassification/ reorganization of the resultant authorized share capital of the Transferor Company as set out in this Scheme but prior to the issuance of the issuance and allotment of Transferee Company Shares under Clause 18 above, the resultant authorized share capital of the Transferor Company, shall be deemed to be added to the authorized share capital of the Transferee Company without any requirement of a further act or deed on the part of the Transferee Company (including payment of stamp duty and / or fees payable to the relevant Registrar of Companies), such that upon the effectiveness of the Scheme, the authorised share capital of the Transferee Company shall be INR 285,00,00,000 (Rupees Two Hundred and Eighty Five Crores only) comprising of 285,00,00,000 equity shares of INR 1 (Rupee one) each without any further act, deed, resolution or writing.

21. **Amendment of the memorandum of association of the Transferee Company**

(i) Pursuant to the consolidation and increase of authorised capital pursuant to Clause 20 above, the memorandum of association and articles of association of the Transferee Company (relating to the authorized share capital) shall, without any requirement of a further act, instrument or deed, be and stand altered, modified and amended, such that Clause 5 of the memorandum of association shall be replaced by the following:

"The Authorised Share Capital of the Company is Rs. 285,00,00,000 (Rupees Two Hundred and Eighty Five Crores only) comprising of 285,00,00,000 equity shares of Re.1/- (Rupee One) each."

(ii) It is clarified that the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting the aforementioned amendments and the increase of authorised capital of the Transferee Company pursuant to Clauses 20 and 21, and no further resolution(s) under Sections 4, 13, 14 and 61 and all other applicable provisions of the Act, if any, would be required to be separately passed.

(iii) In accordance with Section 232 (3)(i) of the Act and Applicable Law, the stamp duties and / or fees (including registration fee) paid on the authorised share capital of the Transferor Company shall be utilized and applied to the increased authorised share

capital of the Transferee Company pursuant to Clause 20 above and no stamp duties and/or fees would be payable for the increase in the authorised share capital of the Transferee Company to the extent of the authorised share capital of the Transferor Company.

(iv) Upon the Scheme becoming effective, the issued, subscribed and paid-up share capital of the Transferee Company shall stand suitably increased consequent upon the issuance of new equity shares in accordance with the Scheme. It is clarified that no special resolution under Section 62 of the Act shall be required to be passed by the Transferee Company separately in a general meeting for issue of Transferee Company Shares to the members of the Transferor Company under this Scheme and for the members of the Transferee Company approving this Scheme, it shall be deemed that they have given their consent to the issue of the Transferee Company Shares to the members of the Transferor Company in terms of the Scheme.

22. **Accounting Treatment**

The Amalgamation will be accounted in accordance with the "acquisition method" prescribed under the Indian Accounting Standard 103 (Business Combinations) as notified under Section 133 of the Act, read together with Paragraph 3 of The Companies (Indian Accounting Standard) Rules, 2015.

23. **Dissolution**

(i) Upon the coming into effect of the Scheme, the Transferor Company shall stand dissolved without winding up.

PART IV

GENERAL TERMS AND CONDITIONS

The provisions of this Part shall be applicable to Part II and Part III of the Scheme.

24. The Transferor Company and the Transferee Company shall make necessary applications before the NCLT for the sanction of this Scheme under Sections 230 and 232 of the Act.

25. No modifications shall be made to the Scheme unless made in accordance with a written agreement between the Transferor Company and the Transferee Company to do so. This Scheme shall not be modified, revoked or withdrawn, other than in accordance with a written agreement between the Transferor Company and the Transferee Company to do so.

26. The coming into effect of this Scheme is conditional upon and subject to:

    (i) pursuant to the provisions of the Competition Act, 2002 (including any statutory modification or re-enactment thereof) and the rules and regulations thereunder, the first of the CCI (or any appellate authority in India having appropriate jurisdiction) having either:

        (a) granted approval to the Scheme; or

        (b) been deemed to have granted approval to the Scheme through the expiration of time periods available for their investigation;

    (ii) the Stock Exchanges having issued their observation/ no-objection letters as required under the SEBI Listing Regulations read with the SEBI Scheme Circular;

    (iii) this Scheme being approved by the respective requisite majorities of the various classes of members (passed through postal ballot/ e-voting, as applicable) and creditors (where applicable) of the Transferor Company and the Transferee Company, as required under the Act and the SEBI Scheme Circular, subject to any dispensation that may be granted by the NCLT;

    (iv) sanctions and orders under the provisions of Sections 230 to 232 of the Act being obtained from the benches of the NCLT at Mumbai, Maharashtra and Chandigarh, Punjab;

    (v) the certified copies of the orders of the NCLT approving this Scheme having been filed with the Registrar of Companies in Maharashtra and Punjab;

    (vi) there not being any Governmental Order from any Governmental Authority (other than a competition and/or anti-trust authority) that has the effect of making the Amalgamation illegal or otherwise restraining or preventing its consummation; and

    (vii) there not being any Governmental Order from any Governmental Authority (other than a competition and/or anti-trust authority) that has the effect of making the transfer of the intellectual property being used in relation to the Transferor Company's business illegal or otherwise restraining or preventing its transfer.

27. **Costs**

    (i) Each of the Transferor Company and the Transferee Company agree that it shall bear by itself all own costs, charges, levies and expenses in relation to or in connection

with or incidental to this Scheme until the date of sanction of this Scheme by the NCLT, including without limitation costs and expenses associated with retention of financial, legal, tax and other professional advisers, and in connection with the valuation report and the fairness opinion issued by their respective valuers and merchant bankers.

(ii) Save as otherwise agreed, all stamp, transfer, registration, and other similar taxes, duties, charges and fees (including in relation to the registration and the stamping of the sanction orders) payable or assessed in connection with this Scheme, the issuance of Transferee Company Shares and the transfers contemplated by the Scheme shall be borne by Transferee Company.