



SUN PHARMACEUTICAL INDUSTRIES LIMITED

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

Tel No: 0265-6615500/600/700 Fax No: 0265-2354897

CIN : L24230GJ1993PLC019050, **Website:** www.sunpharma.com

COURT CONVENED MEETING OF SHAREHOLDERS OF SUN PHARMACEUTICAL INDUSTRIES LIMITED

Day	:	Monday
Date	:	May 05, 2014
Time	:	11.00 a.m.
Venue	:	Sir Sayajirao Nagargruh, Akota, Vadodara - 390 020, Gujarat.

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IN THE HIGH COURT OF GUJARAT AT AHMEDABAD ORIGINAL JURISDICTION COMPANY APPLICATION NO. 88 OF 2014

In the matter of Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956;

And

In the matter of

Sun Pharmaceutical Industries Limited.

A company incorporated under the Companies Act, 1956 and having its registered office at SPARC, Tandajja, Vadodara- 390 020, in the State of Gujarat.

And

Scheme of Arrangement and Reconstruction in the nature of Demerger and Transfer of Specified Undertaking of Sun Pharma Global FZE to Sun Pharmaceutical Industries Limited.

Sun Pharmaceutical Industries Limited.

A company incorporated under the Companies Act, 1956 and having its registered office at SPARC, Tandajja, Vadodara- 390 020, in the State of Gujarat

..... Applicant Company

NOTICE OF CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS

To,

The Equity Shareholders of Sun Pharmaceutical Industries Limited.

TAKE NOTICE that by an Order made on the 1st Day of April, 2014, the Hon'ble High Court of Gujarat, has directed that a Meeting of the Equity Shareholders of the Applicant Company be convened and held at the Sir Sayajirao Nagargruh, Akota, Vadodara - 390 020, in the state of Gujarat on Monday, 05th May, 2014 at 11.00 a.m. for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Arrangement and Reconstruction in the nature of Demerger and Transfer of the Specified Undertaking of Sun Pharma Global FZE, the Transferor Company, into Sun Pharmaceutical Industries Limited, the Applicant Company, proposed to be made between Sun Pharma Global FZE, Sun Pharmaceutical Industries Limited and their respective Shareholders and Creditors.

TAKE FURTHER NOTICE that in pursuance of the said Order, and as directed therein a meeting of the Equity Shareholders of the Applicant Company will be convened and held at the Sir Sayajirao Nagargruh, Akota, Vadodara - 390 020, in the state of Gujarat on Monday, 5th May, 2014 at 11.00 a.m., which you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy, provided that the proxy in the prescribed form duly signed by you or by your authorized representative is deposited at the Registered Office of the Applicant Company at Vadodara, not later than 48 (forty-eight) hours before the meeting.

The Hon'ble High Court of Gujarat has appointed Mr. Israel Makov, the Chairman of the Applicant Company and failing him Mr. Dilip Shanghvi, Managing Director of the Applicant Company and failing him Mr. Sudhir V. Valia, the Whole-time Director of the Applicant Company, and failing him Mr. Sailesh T. Desai, the Whole-time Director of the Applicant Company and failing him, Mr. S. Mohanchand Dadha, an Independent Director of the applicant Company, to be the Chairman of the said meeting.

A copy of each of the Scheme of Arrangement, the Explanatory Statement under Section 393 of the Companies Act, 1956, Form of Proxy and Attendance Slip is enclosed.

Dilip Shanghvi

Chairman appointed for the meeting

Dated this 2nd Day of April, 2014

Mumbai

Registered Office:

SPARC, Tandajja,
Vadodara, Gujarat - 390020.

Note:

1. Only registered Equity Shareholders of the Applicant Company may attend and vote (either in person or by proxy) at the Equity Shareholders' meeting. The authorised representative of a body corporate or Foreign Institutional Investor (FII) which is a registered Equity Shareholder of the Applicant Company may attend and vote at the Equity Shareholders meeting provided a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate / FII is deposited at the registered office of the Applicant Company not later than 48 (forty eight) hours before the time of the meeting authorising such representative to attend and vote at the Equity Shareholders meeting. Proxy need not be a member.



Sun Pharmaceutical Industries Limited

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EXPLANATORY STATEMENT UNDER SECTION 393(1) OF THE COMPANIES ACT, 1956 TO THE SCHEME OF ARRANGEMENT AND RECONSTRUCTION IN THE NATURE OF DEMERGER AND TRANSFER OF SPECIFIED UNDERTAKING OF SUN PHARMA GLOBAL, FZE TO SUN PHARMACEUTICAL INDUSTRIES LIMITED

- Pursuant to the Order dated 1st Day of April, 2014, passed by the Hon'ble High Court of Gujarat at Ahmedabad, in the Company Application No. 88 of 2014, a meeting of the Equity Shareholders of Sun Pharmaceutical Industries Limited is being convened for the purpose of considering and, if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Arrangement and Reconstruction in the nature of Demerger and Transfer of Specified Undertaking of Sun Pharma Global FZE to Sun Pharmaceutical Industries Limited. Notice of the said meeting together with the copy of the Scheme of Arrangement and Reconstruction is sent herewith. This statement explaining the terms of the Scheme of Arrangement and Reconstruction is being furnished as required u/s 393 (1) (a) of the Companies Act, 1956.
- 1 Sun Pharmaceutical Industries Limited (SPIL), the Applicant Transferee Company was incorporated on 1st March, 1993, vide Certificate of Incorporation issued by the Registrar of Companies, Gujarat. The Applicant Company came into existence under Part IX of the Companies Act, by conversion of Partnership firm in the name and style of Sun Pharmaceutical Industries with its running business activities. The Applicant Company has entered into several schemes of arrangements, details of the same are given hereinbelow. Vide order dated 19th November 1997 by the High Court of Gujarat, Tamilnadu Dadha Pharmaceuticals Limited was amalgamated with the Applicant Company. Vide order dated 12th February, 1998 by the High Court of Gujarat, Milmet Laboratories Pvt. Limited was amalgamated with the Applicant Company. Vide order dated 27th March 2000, by the Board for Industrial & Financial Reconstruction, Gujarat Lyka Organics Limited was merged with the Applicant Company. Vide order dated 16th November 2000 by the High Court of Gujarat, Sun Pharmaceutical Exports Limited was amalgamated with the Applicant Company. Vide order dated 12th July 2001, by the Gujarat High Court, Sun Pharmaceutical Advanced Research Centre Limited was amalgamated with the Applicant Company. Vide order dated 17th May 2002, by the Board for Industrial & Financial Reconstruction, Bulk Drugs Division of M.J. Pharmaceuticals Limited was merged with the Applicant Company. Vide order dated 14th July 2005 by the Gujarat High Court, three wholly owned subsidiaries viz. Bazley Finvest Limited, Dhaval Finvest Limited and Manish Finvest Limited were amalgamated with the Applicant. Vide order dated 28th July 2005, Phlox Pharmaceuticals Limited was amalgamated with the Applicant Company. Further vide order dated 1st September 2006 and 1st March, 2007, by Gujarat High Court, Innovative Research and Development Business of the Applicant Company was de-merged and transferred to Sun Pharma Advanced Research Company Limited. Further vide order dated 3rd May 2013 by Gujarat High Court, Domestic Formulation Undertaking of the Applicant Company was spun off and transferred to Sun Pharma Laboratories Limited, its subsidiary company.
- 2.2 The registered office of the Transferee Company is situated at SPARC, Tandalja, Vadodara- 390 020, in the state of Gujarat, India.
- 2.3 As per the latest Audited Balance Sheet, the share capital of the Transferee Company as on 31st March, 2013 is as under:

Authorised Share Capital:	(Amount in Rs.)
1,500,000,000 Equity Shares of Re.1/-each	Rs. 1,500,000,000
Total	Rs. 1,500,000,000
Issued, Subscribed and Paid up share Capital:	(Amount in Rs.)
1,035,581,955 Equity Shares of Re.1/-each	Rs. 1,035,581,955
Total	Rs. 1,035,581,955

In terms of the resolution passed by shareholders by way of Postal Ballot on July 15, 2013, the Company has increased its authorized share capital to Rs. 3,000,000,000 divided into 3,000,000,000 Equity Shares of Re.1/- each and allotted 1,035,581,955 bonus equity shares on August 3, 2013 in the ratio of 1 equity share of Re. 1/- each fully

paid up for every equity share of Re.1/-each held. Pursuant to such issue of bonus shares the present position of Share Capital of the Transferee Company is as follows:

Authorised Share Capital:	(Amount in Rs.)
3,000,000,000 Equity Shares of Re.1/- each	Rs. 3,000,000,000
Total	Rs. 3,000,000,000
Issued, Subscribed and Paid up share Capital:	(Amount in Rs.)
2,07,11,63,910 Equity Shares of Re.1/- each	Rs. 2,07,11,63,910
Total	Rs. 2,07,11,63,910

The Equity Shares of Sun Pharmaceutical Industries Limited, the Transferee Company, are at present listed on the BSE Limited and the National Stock Exchange of India Limited.

- 3.1 Sun Pharma Global FZE (SPG) was incorporated under the laws of United Arab Emirates on 25th November, 2008, and licensed under Sharjah Airport International Free Zone ("SAIF") pursuant to Emiri Decree No. 2 of 1995.
- 3.2 The registered office of the Transferor Company is at Office # 43, Block Y, SAIF Zone, P.O.Box # 122304, Sharjah, UAE.
- 3.3 The Share Capital of the Transferor Company as per the Audited Balance Sheet as on 30th September, 2013 is as under:

Authorised Share Capital:	(Amount)	
101 Equity Shares of AED 150,000 each	AED 15,150,000	USD 4,124,694
Total	AED 15,150,000	USD 4,124,694
Issued, subscribed and paid up share capital:	(Amount)	
101 Equity Shares of AED 150,000 each	AED 15,150,000	USD 4,124,694
Total	AED 15,150,000	USD 4,124,694

There is no change in the Share Capital of the De-merged/Transferor Company as on the date of this Application. Presently, all the shares of the De-merged company are held by Nogad Holdings, a company incorporated in Mauritius and hence the De-merged company is a Wholly Owned Subsidiary of Sun Pharma Global Inc. All the shares of Nogad Holdings are held by Sun Pharma Global Inc., a company incorporated and having its registered office in British Virgin Islands. Hence the De-merged Company is an indirect a Wholly Owned Subsidiary of Sun Pharma Global Inc. All the shares of Sun Pharma Global Inc. are held by Sun Pharmaceutical Industries Limited, the Transferee Company and hence presently Sun Pharma Global Inc., is a Wholly Owned Subsidiary of the Transferee Company. Thus, the De-merged/ Transferor Company is an indirect Wholly Owned Subsidiary of the Transferee Company.

4. The Applicant Company viz. Sun Pharmaceutical Industries Limited is a listed public limited company and leading pharmaceutical company in India, engaged in the business of development, manufacture, sale, trading, and export of various generic drug formulations, manufacture of drugs and pharmaceutical products. The pharmaceutical products of the Transferee Company are sold in USA and various regulated markets of the world. During the financial year ended on 31st March, 2013, the Transferee Company in its standalone capacity, had the total revenue of Rs. 2,668.31 crores and the net profit after tax of Rs. 516.55 crores. The Company has Reserve and Surplus of Rs. 7,685.32 crores. Thus, it is a profit making and dividend paying company with immense scope for future growth.
5. The Transferor Company viz. Sun Pharma Global FZE, is a Foreign Limited Liability Company incorporated and licensed under Sharjah Airport International Free Trade Zone of UAE ('SAIF') pursuant to Emiri Decree No. 2 of 1995 and a pharmaceutical company in United Arab Emirates. It is an unlisted company and is engaged in the business of manufacturing, general trading and exporting pharmaceutical formulations. The products of the Transferor Company are sold in USA and various regulated markets of the world. It has, as part of its pharmaceutical business, an undertaking catering to the ulcer therapeutic activities and other allied / related / incidental businesses. It is also carrying on activities of investment in shares and securities. During the financial year ended on 31st March, 2013, the Transferor Company in its standalone capacity, had the total revenue of US\$ 376.44 millions (equivalent to Rs. 2047.09 crores) and the net profit after tax of US\$ 149.38 millions (equivalent to Rs. 812.04 crores). The Company has Reserve and Surplus of 584.92 US \$ millions (equivalent to Rs. 3175.01 crores) as on 31st March, 2013. Thus, it is a profit making company with bright future growth prospects.

6. The management of these companies thought it fit to demerge the said business of the Transferor Company in the Transferee Company. The reasons for the Scheme of Arrangement and Reconstruction are as under:

- (a) The De-merged/Transferor Company's business of Specified Undertaking and the Remaining Undertaking are continuously growing both horizontally and vertically. The Company needs to give focused and strategic attention to various parts/aspects of both the undertakings for maintaining this growth momentum as the same is an opportunity as well as a challenge. The Specified Undertaking of the Transferor Company had shown good growth. In order to strengthen and sustain the long term growth, profitability, market share, customer service, and face the competitive regulatory environment, risks and policies etc. it requires focused management attention, different skill sets and resources. Similarly, the Remaining Undertaking of the Transferor Company has different profile requiring different kind of focus and attention to meet the ever expanding market / geography and growth opportunities, varied regulatory requirements, risks, litigation etc. The Transferor Company intends to reorganise the Specified Undertaking to consolidate and integrate its' operations with the activities of the Transferee Company as a part of group restructuring and hence it is proposed to demerge its Specified Undertaking to the Transferee Company by way of demerger under this Scheme.
- (b) The Transferee Company is also engaged in export of pharmaceutical formulations to various regulated markets including USA. Hence such reorganisation will help to further strengthen and consolidate its operations for the regulated markets.
- (c) As the activities of Specified Undertaking and that of the Transferee Company are similar in nature, it would, therefore, be advantageous to combine the activities and operations into a single company for synergistic linkages and the benefit of financial and other resources of each other.
- (d) The proposed demerger of the Specified Undertaking of the Transferor Company is likely / expected to allow a focused strategy in operations of both the Companies along with faster decision making, which would be in the best interests of the Transferor Company and its shareholders and other stakeholders.
- (e) Arrangement and reconstruction will result in cost saving for both the companies as they are engaged in related activities which is expected to result in higher profitability levels through faster and effective decision making and avoiding duplication of efforts for both the Companies. It is believed that the faster decision making of the Companies would be in the best interests of the shareholders, employees and other stakeholders of both the Companies.
- (f) The Transferee Company will have the benefit of the combined resources of Specified Undertaking of the Transferor Company and Transferee Company i.e. reserves, investments, and other assets, finances, customers, distributors, brands etc. The Transferee Company would be in a position to consolidate operations through optimum utilization of its resources and avoidance of duplication.
- (g) The demerger may also provide scope for independent collaboration and expansion of the Remaining Undertaking / business of the Transferor Company without committing the existing organization in its entirety.
- (h) The Transferee Company would also have a larger network base, and greater borrowing capacity, which would provide it a competitive edge over others, especially in view of the increasing competition due to liberalization and globalization, which will be beneficial in more than one ways to the Transferee Company, its shareholders and other stakeholders.
- (i) The Boards of Transferor Company as well as Transferee Company believe that this demerger will contribute to smooth integration of relevant undertakings of both the Companies and would benefit the shareholders, employees and other stakeholders of the Transferor Company and the Transferee Company.

7. The material provisions of the proposed Scheme of Arrangement are as under:

"1. DEFINITIONS

- (a) "**Appointed Date**" means 1st May, 2013 or such other date as may be approved by the High Court of Gujarat at Ahmedabad and any regulatory authority or other Governmental Authority, if applicable, at UAE.
- (b) "**Demerged Company**" or "**Transferor Company**" means Sun Pharma Global FZE incorporated under the laws of UAE and having its Registered Office at Office # 43, Block Y, SAIF Zone, P.O.Box # 122304, Sharjah, UAE.

- (c) **“Effective Date”** means the last of the dates on which the sanctions / approvals or orders as specified in Clause No. 18 of this Scheme has been obtained and / or filed by the Transferor Company and the Transferee Company with the Registrar of Companies and other Governmental Authorities.
- (d) **“Remaining Undertaking”** means all the businesses and activities of the Transferor Company other than the Specified Undertaking.
- (e) **“Scheme”** means this Scheme of Arrangement and Reconstruction in its present form including any modifications or amendments thereto, approved or imposed or directed by the Hon'ble High Court of Gujarat at Ahmedabad or any other Governmental Authority and High Court and with all the Schedules appended thereto.
- (f) **“Specified Undertaking's Activities”** means:
all activities of the Transferor Company relating to the business of developing, researching, manufacturing, processing, buying, selling, importing, trading, marketing, storing, distribution of pharmaceutical products for ulcer therapeutics and items related thereto such as packing materials, packaging materials, raw materials, finished goods, inventory, stores, spares, etc. along with certain investment and financing activities.
- (g) **“Specified Undertaking”** shall mean and include on commencement of 1st May, 2013:
- (I) All the assets, movable, immovable, tangible and intangible of the Specified Undertaking's Activities of the Transferor Company (hereinafter referred to as 'the said Assets');
 - (II) All secured and unsecured debts, liabilities (including contingent liabilities), duties and obligations of every kind and nature whatsoever and howsoever accruing or arising out of and all loans or borrowings raised and incurred and utilized for the Specified Undertaking of the Transferor Company, along with any charge, encumbrance, lien or security thereon, of the Transferor Company as on the Appointed Date (hereinafter referred to as 'the said Liabilities');
 - (III) Without prejudice to the generality of sub-clause (I) and (II) mentioned above, the Specified Undertaking of the Transferor Company shall include all business and/or operations specific to the Specified Undertaking's Activities comprising of assets including investments, loans and advances, claims, powers, authorities, allotments, approvals, consents, contracts, enactments, arrangements, rights, titles, interests, benefits, advantages, lease-hold rights and tenancies, and other intangible rights, hire purchase contracts and assets, lending contracts, employment contracts, distribution contracts, clearing and forwarding agency contracts, benefit of any security arrangements, reversions, permits, quotas, entitlements, registrations, licences (industrial or otherwise), registrations under all applicable laws and regulations, municipal/ local permissions, systems of any kind whatsoever, rights and benefits of all agreements and other interests including rights and benefits under various schemes of different taxation and other laws as may belong to or be available to or be used by the Specified Undertaking or the Specified Undertaking's Activities of the Transferor Company, rights and powers of every kind, nature and description of whatsoever probabilities, liberties, easements, tenancies, advantages, and approval of whatsoever nature and wherever situated, belonging to or in ownership, including but without being limited to trade and services marks, patents, copyrights, brand names, drug licenses, Intellectual Property Rights, technical know-how, goodwill, benefits and advantages of carrying on the business, availing any facilities of the Transferor Company for the Specified Undertaking's Activities on mutually acceptable terms, enterprise resource planning software, accounting and other software, software licenses, permissions and connections, drawings, formulae, artwork secret processes, notings, website/web page and any other Intellectual Property Rights of any nature whatsoever, authorizations, permits, all records, files, papers, computer programs, books of accounts, corporate records, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and other records in connection with or in relation to the Specified Undertaking' Activities and all other interests of whatsoever nature belonging to or in the ownership, power, possession, or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Specified Undertaking's Activities;

3. DEMERGER AND VESTING/TRANSFER OF SPECIFIED UNDERTAKING:

- (a) On and with effect from the Appointed Date and subject to the provisions of this Scheme and pursuant to the provisions of Section 394 of the Companies Act, 1956 and other applicable provisions of the Act and Applicable Laws and in relation to the mode of transfer and vesting, the Specified Undertaking of the Transferor Company shall without any further act, instrument or deed, be and the same shall stand transferred to and / or vested in or be deemed to have been and stand transferred to or vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the estate, rights, authorizations, titles and interests and authorities including accretions and appurtenances thereto such as dividends, or other benefits receivable, that of the Transferee Company .
- (b) With effect from the Appointed Date, and subject to the provisions of this Scheme, all the Liabilities (including the contingent liabilities) of the said Specified Undertaking of the Transferor Company shall stand transferred or deemed to have been transferred without any further act, instrument or deed of the Transferee Company, pursuant to the provisions of Section 394 of the Companies Act, 1956 and other applicable provisions of the Act and Applicable Laws so as to become as and from the Appointed Date, the debts, liabilities (including contingent liabilities), duties and obligations of the Transferee Company and further that it shall not be necessary to obtain consent of any third party or other person who is a party to the contract or arrangements by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Clause.
- (c) With effect from the Appointed Date, and subject to the provisions of this Scheme, all the Assets (both the tangible and the intangible assets) of the said Specified Undertaking of the Transferor Company shall stand transferred or deemed to have been transferred without any further act, instrument or deed of the Transferee Company, pursuant to the provisions of Section 394 of the Companies Act, 1956 and other applicable provisions of the Act and Applicable Laws so as to become as and from the Appointed Date, the assets of the Transferee Company.
- (d) With effect from the Appointed date, all taxes paid, taxes refund due or receivable, carried forward losses, depreciation, capital losses, pending balances of amortizations etc., under the UAE laws including application for rectification, appeals filed with tax authorities of the Specified Undertaking of the Transferor Company shall also, pursuant to Section 394 of the Companies Act, 1956 and other applicable provisions of the Act and Applicable Laws without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company, so as to become as from the Appointed Date the direct taxes paid, direct taxes refund due or receivable, (whether as per Books or as per Income Tax) of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person, in order to give effect to the provision of this Sub-Clause.
- (e) All the employees of the Specified Undertaking shall, without any further act, instrument or deed of the Transferee Company, pursuant to the provisions of Section 394 of the Companies Act, 1956 and other applicable provisions of the Act and the Applicable Laws, become as and from the Appointed Date, the employees of the Transferee Company and further that it shall not be necessary to obtain consent of any person, in order to give effect to the provisions of this Clause.
- (f) Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Specified Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.
- (g) For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licences, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, powers of attorney given by, claims, powers, authorities, allotments, approvals, consents, contracts, enactments, arrangements, rights, titles, interests, benefits, advantages, lease-hold rights and tenancies, and other intangible rights, hire purchase contracts and assets, lending contracts, employment contracts, distribution contracts, clearing and forwarding agency contracts,

benefit of any security arrangements, reversions, permits, quotas, entitlements, registrations, licences (industrial or otherwise), registrations under the applicable laws, municipal/local permissions, etc. issued to or executed in favour of the Transferor Company shall stand transferred to the extent it relates to and pertains to the Specified Undertaking, to the Transferee Company in which the Specified Undertaking shall vest by way of the demerger hereunder, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall make applications to and obtain relevant approvals, etc. from the concerned authorities and / or parties as may be necessary in this behalf and the Transferor Company shall cooperate and provide the required support wherever required.

- (h) It is clarified that if any assets (estate, claims, rights, title, interest in or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Specified Undertaking, which the Transferor Company owns or to which the Transferor Company is a party and which cannot be transferred to the Transferee Company for any reason whatsoever, the Transferor Company shall hold such assets etc. in trust for the benefit of the Transferee Company to which the Specified Undertaking is being transferred in terms of this Scheme, in so far as it is permissible so to do, till such time as the transfer is effected and till such time the Transferee Company shall be entitled to utilise, operate, avail the same for the Specified Undertaking's Activities without any consideration.
- (i) Where any of the debts, liabilities (including contingent liabilities), loans raised and used, liabilities and obligations incurred, duties and obligations of Specified Undertaking of the Transferor Company as on the Appointed Date deemed to be transferred to the Transferee Company have been discharged by Specified Undertaking of the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.
- (j) All Intellectual Property Rights of the Transferor Company in relation to the Specified Undertaking's Activities as on the Appointed Date including those developed by the Transferor Company in relation to the Specified Undertaking's Activities for the period from the Appointed Date and upto the Effective Date, shall stand transferred by the Court Orders to the Transferee Company and the Transferee Company shall be entitled to undertake all such actions as may be necessary to procure the assignment of the Intellectual Property Rights in its favour.
- (k) All loans raised and used and all liabilities and obligations incurred by the Transferor Company for the operations of Specified Undertaking after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Transferee Company in which the Specified Undertaking shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Transferee Company and shall become the debts, liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.
- (l) Without prejudice to clause (a) above, it is expressly provided that in respect of such assets belonging to and specific to the Specified Undertaking of the Transferor Company as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company, and shall become the property of the Transferee Company in pursuance of the provisions of Section 394 and other applicable provisions of the said Act.
- (m) The Transferor Company may, if required, give notice in such form as it may deem fit and proper to each party, debtor or depositee as the case may be that pursuant to the Governmental Authority sanctioning the Scheme, the said debt, loan, advance, etc. be paid or made good or held on account of the Transferee Company as the person entitled thereto and that the right of the Transferor Company to recover or realise the same stands extinguished.
- (n) The Transferee Company may, if required, give notice in such form as it may deem fit and proper to each person, debtor or depositee that pursuant to the High Court of Gujarat, Ahmedabad, India having sanctioned the Scheme, the said person, debtor or depositor should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of the Transferee Company to recover or realise the same is in substitution of the right of the Transferor Company.

- (o) With effect from the Appointed Date, the existing securities / charges created over assets of the Specified Undertaking by the Transferor Company in favour of consortium of banks or banks and financial institutions, if any, shall extinguish and shall cease to have any effect over the said assets to be transferred to the Transferee Company and such said assets shall be automatically available to the Secured Creditors of the Transferee Company as extended security upon approval of the Scheme.
- (p) Without prejudice to the provisions of the foregoing clauses and upon the effectiveness of this Scheme, the Transferor Company and the Transferee Company shall execute such instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and / or modification(s) of charge, with the relevant regulatory authority and Governmental Authorities to give formal effect to the above provisions, if required.
- (q) Upon the coming into effect of this Scheme, the Transferor Company alone shall be liable to perform all obligations in respect of the liabilities as on the Appointed Date, which have not been transferred to Transferee Company in terms of the Scheme, and the Transferor Company alone shall have all obligations in respect of such liabilities, and the Transferor Company shall indemnify the Transferee Company in relation to any claim, at any time, against the Transferee Company in respect of the liabilities which have been retained by the Transferor Company.
- (r) Upon the coming into effect of this Scheme, the Transferee Company alone shall be liable to perform all obligations in respect of the liabilities (including contingent liabilities) from the Appointed Date, which have been incurred by the Transferor Company for and on behalf of the Transferee Company and in relation to the Specified Undertaking in terms of the Scheme, and the Transferor Company shall not have any obligation in respect of such liabilities and the Transferee Company shall indemnify the Transferor Company in relation to any claim, at any time, against the Transferor Company in respect of such liabilities.
- (s) It is expressly provided that no other term or condition of the liabilities not transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- (t) Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of the clause 3 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall stand modified and / or superseded by the foregoing provisions with effect from the Appointed Date or such other date as is specified herein above, as the case may be.

5. LEGAL PROCEEDINGS:

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

8. CONSIDERATION BY THE TRANSFEREE COMPANY:

The Transferor Company is a wholly owned subsidiary of Sun Pharma Global Inc. which is the wholly owned subsidiary of the Transferee Company i.e. the only shareholder of the Transferor Company is the wholly owned subsidiary of the Transferee Company. The Scheme is intended to restructure the Specified Undertaking's Activities in more efficient and focussed manner in the Transferee Company consistent with the diverse needs of the business

and does not involve any movement of assets to any company outside the group controlled by the Transferee Company. Also, the shareholder of the Transferor Company being a 100% subsidiary of the Transferee Company, the Transferee Company cannot issue shares to shareholder of the Transferor Company being its 100% subsidiary, pursuant to Applicable Laws in India and the Scheme being an internal group restructuring between the Transferee Company and the Transferor Company, the Transferee Company shall not pay any consideration to the shareholder of the Transferor Company. Hence, the Transferee Company shall not be required to issue any shares or pay any consideration to the Transferor Company or to its shareholders. Accordingly, no consideration shall be payable by the Transferee Company under the Scheme.

9. ACCOUNTING BY TRANSFEROR COMPANY AND THE TRANSFEE COMPANY IN RESPECT OF TRANSFER OF SPECIFIED UNDERTAKING:

(i) Accounting treatment in the books of the Transferor Company:

- (a) The assets and liabilities of the Specified Undertaking of the Transferor Company which are being transferred to the Transferee Company shall be recorded at values appearing in the books of accounts of the Transferor Company as on the Appointed Date.
- (b) An amount equivalent to the book value of net assets [i.e. Total Assets minus the Total Liabilities pertaining to the Specified Undertaking] transferred to the Transferee Company by the Transferor Company in terms of this Scheme, shall be adjusted first to the Capital Reserve account of the Transferor Company and the balance remaining if any shall be adjusted to the Retained Earnings account of the Transferor Company.

(ii) Accounting treatment in the Books of the Transferee Company:

- (a) Upon coming into effect of this Scheme and upon the arrangement becoming operative, the Transferee Company shall record the assets and liabilities transferred to and vested in them pursuant to this Scheme, at the book values of the respective assets and liabilities as recorded in the books of account of the Transferor Company as on the Appointed Date.
- (b) As on the Appointed Date, and subject to any corrections and adjustments as may be considered necessary, in the opinion of the Board of Directors of the Transferor Company, the assets and liabilities pertaining to Specified Undertaking of the Transferor Company will be merged with the assets and liabilities of the Transferee Company in the same form as they appeared in the financial statements of the Specified Undertaking of the Transferor Company except those which are not in compliance with the applicable accounting standards in India and the same will be merged as per the policies adopted and acceptable as per the applicable accounting standards in India.
- (c) The total of Net Assets [i.e. Total Assets minus Total Liabilities] pertaining to the Specified Undertaking recorded at book values as recorded in the books of account of the Transferor Company shall be credited to Capital Reserve Account or debited to the Goodwill account, as the case may be, in the books of the Transferee Company.

12. REMAINING UNDERTAKING:

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

The features set out above being only the salient features of the Scheme of Arrangement and Reconstruction, the members are requested to read the entire text of the Scheme of Arrangement and Reconstruction (annexed herewith) to get fully acquainted with the provisions thereof and the rationale and objectives of the proposed scheme of arrangement and reconstruction.

8. Vide the Resolutions passed at the respective Board Meetings dated 13th November, 2013, the Board of Directors of both the companies resolved that subject to such approvals of the Equity Shareholders and Creditors, if so required, of the Transferee Company and subject to such directions and sanctions of the appropriate Court, as may be required in law, and subject to such consents and permissions of the Central Government and other authorities as may be necessary the Scheme of Arrangement and Reconstruction be made between the two companies. Pursuant to clause 24 (f) of the Listing Agreement and SEBI circulars dated 10th February 2013 and 21st May 2013, the No Objection Certificate of the concerned stock exchanges viz. BSE Ltd and National Stock Exchange of India Limited and Securities and Exchange Board of India has been obtained by the Transferee Company.

9. The financial position of the Transferee Company will not be adversely affected by the Scheme of Arrangement and Reconstruction. It will continue to remain strong and it will be able to meet and pay its debts as and when they arise. The rights and interests of the members and the creditors of the Transferee Company will not be prejudicially affected by the Scheme.
10. No investigation proceedings have been instituted or are pending in relation to the Applicant Company under Section 235 of the Companies Act, 1956 nor under Section 210 of the Companies Act, 2013 nor under Section 250A of the Companies Act 1956.
11. The Background of the Board of Directors as on 31st March, 2014:

11.1 SUN PHARMACEUTICAL INDUSTRIES LIMITED

Sr. No.	Name of Director	Designation	Age	Educational Qualifications
1	Mr. Israel Makov	Chairman Non-Executive Director	73	M.Sc. in Economics
2	Mr. Dilip S. Shanghvi	Managing Director	57	B.com
3	Mr. Sudhir V. Valia	Non Promoter Executive Director	56	B.com, FCA
4	Mr. Sailesh T. Desai	Non Promoter Executive Director	58	B.Sc
5	Mr. S. Mohanchand Dadha	Non-Executive Independent Director	76	I.Sc
6	Mr. Hasmukh S. Shah	Non-Executive Independent Director	78	M.A. (Economics)
7	Mr. Keki M. Mistry	Non-Executive Independent Director	58	FCA and Member of Michigan Assn. of Certified Public Accountants, USA.
8	Mr. Ashwin S. Dani	Non-Executive Independent Director	70	B.Sc (Hons), B.Sc (Tech), MSI Polymer Science and Dip. in Colour Science
9	Ms. Rekha Sethi	Non-Executive Independent Director	50	Graduate in English Literature and Post-Graduate Diploma in Advertising and Marketing.

11.2 SUN PHARMA GLOBAL FZE

Sr. No.	Name of Director	Designation	Age	Educational Qualifications
1.	Mr. Surendra Joshi	Director	66	C.A.
2.	Mr. Rajesh K Shah	Director	43	C.A.
3.	Mr. Harin Mehta	Director	57	B. Tech. (Chem. Engg.)

12. The directors of the Transferor Company and the Transferee Company may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in the respective Companies, or to the extent the said directors are common directors in the Companies, or to the extent the said directors are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in any of the companies.

- 13.1 The respective shareholding (singly or jointly as first holder) of Directors in the Transferor Company and the Transferee Company as on 31st March, 2014 of explanatory statement is as under:-

Directors Shareholding of Transferee Company:

Name of Directors	In SPIL (Transferee Company)	In SPG (Transferor Company)
Mr. Israel Makov	Nil	Nil
Mr. Dilip S. Shanghvi	231140480	Nil
Mr. Sudhir V. Valia	153840000	Nil

Name of Directors	In SPIL (Transferee Company)	In SPG (Transferor Company)
Mr. Sailesh T. Desai	3751020	Nil
Mr. S. Mohanchand Dadha	74280	Nil
Mr. Hasmukh S. Shah	Nil	Nil
Mr. Keki M. Mistry	41350	Nil
Mr. Ashwin S. Dani	Nil	Nil

Directors Shareholding of Transferor Company:

Name of Directors	In SPIL (Transferee Company)	In SPG (Transferor Company)
Mr. Surendra Joshi	100	Nil
Mr. Rajesh Shah	19000	Nil
Mr. Harin Mehta	44000	Nil

13.2 The Directors of either the Transferor Company or the Transferee Company have not given any loans to either of the companies.

14. The shareholding pattern for the Transferee Company as on 31st December 2013, is as follows. Since no restructure of capital is envisaged under the scheme, the shareholding pattern is not likely to undergo any change Post Scheme.

Sr. No.	Category of shareholder	Total Number of Shares	Percentage of total number of shares
(I)	(II)	(III)	(IV)
(A)	Promoter and Promoter Group		
1	Indian		
(a)	Individuals/Hindu Undivided Family	304037200	14.68
(b)	Central Government/State Government(s)	0	0.00
(c)	Bodies Corporate	1013024000	48.91
(d)	Financial Institutions / Banks	0	0.00
(e)	Any Other (specify)	0	0.00
	Trusts	1280200	0.06
	Sub Total (A)(1)	1318341400	63.65
2	Foreign		
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	0	0.00
(b)	Bodies Corporate	0	0.00
(c)	Institutions	0	0.00
(d)	Qualified Foreign Investors	0	0.00
(e)	Any Other (specify)	0	0.00
	Sub Total (A)(2)	0	0.00
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	1318341400	63.65
(B)	Public shareholding		
1	Institutions		
(a)	Mutual Funds/UTI	25718087	1.24
(b)	Financial Institutions / Banks	42799305	2.07
(c)	Central Government/State Government(s)	892512	0.04

Sr. No.	Category of shareholder	Total Number of Shares	Percentage of total number of shares
(I)	(II)	(III)	(IV)
(d)	Venture Capital Funds	0	0.00
(e)	Insurance Companies	49454055	2.39
(f)	Foreign Institutional Investors	465867652	22.49
(g)	Foreign Bank	3000	0.00
(h)	Qualified Foreign Investors	31500	0.00
(l)	Any Other (specify)	0	0.00
	Sub Total (B) (1)	584766111	28.23
2	Non-institutions		
(a)	Bodies Corporate	51087269	2.47
(b)	Individuals - shareholders holding nominal share capital up to Rs 1 Lakh	73659215	3.56
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	32895040	1.59
(c)	Qualified Foreign Investors	0	0.00
(d)	Any Other		
i	Non Resident Indians (Repat)	1096801	0.05
ii	Non Resident Indians (Non Repat)	743056	0.04
iii	Foreign Companies	1147657	0.06
iv	Clearing Member	694936	0.03
v	Directors	4869850	0.24
vi	Trusts	1816575	0.09
vii	Overseas Corporate Bodies	46000	0.00
	Sub Total (B)(2)	168056399	8.11
	Total Public Shareholding Public Group (B) = (B)(1) + (B)(2)	752822510	36.35
	Total (A) + (B)	2071163910	100.00
(C)	Shares held by custodians and against which Depository Receipts have been issued		
i	Promoter and Promoter group	0	0.00
ii	Public	0	0.00
	Sub Total (C)	0	0.00
	GRAND TOTAL (A) + (B) + (C)	2071163910	100.00

15. The abridged financial statements of the Transferor Company for last two years are annexed herewith as **Annexure-1**.
16. The following documents will be open for inspection by the Shareholders at the Registered Office of SPIL situated at SPARC TANDALJA, Vadodara-390020 in the State of Gujarat on all working days except Saturdays and Sundays between 11:00 a.m. and 1:00 p.m. up to the date of the ensuing Meeting.
- Copy of the Order passed by the Hon'ble High Court of Gujarat dated 1st April, 2014 directing convening the meeting of Equity Shareholders passed in Company Application No. 88 of 2014.
 - Copies of the Memorandum of Association and Articles of Association of the SPIL and SPG;
 - Copy of Audited Annual Accounts of SPIL for the year ended on 31.03.2013 and 31.03.2012 and Unaudited results for nine months period ended 31.12.2013;

- (iv) Copy of Audited Annual Accounts of the SPG for the year ended on 31.03.2013 and 31.03.2012 and audited results for six months period ended 30.09.2013;
- (v) Scheme of Arrangement and Reconstruction for Demerger.
- (vi) Fairness Opinion for the proposed Scheme of Arrangement and Reconstruction of Vivro Financial Services Private Limited dated 30th January, 2014.
- (vii) No objection letter to the Scheme received from the BSE Limited.
- (viii) No objection letter to the Scheme received from the National Stock Exchange of India Limited.
- (ix) Other documents displayed by the Stock Exchange and Transferee Company's website, in terms of the SEBI Circular.

A copy of the Scheme, Explanatory Statement and Form of Proxy may be obtained from the Registered Office of the Company and / or at the office of the Advocate Mrs. Swati Soparkar, 301, Shivalik 10, Opp. SBI Zonal Office, Near Excise Chowky, S.M. Road, Ahmedabad 380 015.

Dilip Shanghvi
Chairman appointed for the meeting

Dated this 2nd Day of April, 2014

Mumbai

Registered Office:
SPARC, Tandalja,
Vadodara, Gujarat - 390020.

Encl: As above

Note: All alternations made in the form of proxy should be initialed.

ANNEXURE-1

SUN PHARMACEUTICAL INDUSTRIES LIMITED

ABRIDGED AUDITED BALANCE SHEET AS AT 31ST MARCH, 2012 AND 31ST MARCH, 2013

₹ in Million

	As at 31st March, 2013		As at 31st March, 2012	
EQUITY AND LIABILITIES				
Shareholders' Funds				
Share Capital	1,035.6		1,035.6	
Reserves and Surplus	76,853.2	77,888.8	77,745.6	78,781.2
Non-current Liabilities				
Long-term Borrowings	46.4		-	
Deferred Tax Liabilities (Net)	1,654.1		1,339.1	
Other Long-term Liabilities	10.1		20.3	
Long-term Provisions	1,314.9	3,025.5	986.2	2,345.6
Current Liabilities				
Short-term Borrowings	384.9		403.0	
Trade Payables	3,632.7		4,001.9	
Other Current Liabilities	1,451.5		625.4	
Short-term Provisions	6,081.5	11,550.6	5,154.9	10,185.2
TOTAL		92,464.9		91,312.0
ASSETS				
Non-current Assets				
Fixed Assets				
Tangible Assets	11,347.6		9,759.3	
Intangible Assets	10.3		13.7	
Capital Work-in-Progress	3,480.4		2,488.7	
	14,838.3		12,261.7	
Non-current Investments	33,764.9		35,928.0	
Long-term Loans and Advances	4,910.9		3,385.4	
Other Non-current Assets	78.3	53,592.4	28.3	51,603.4
Current Assets				
Current Investments	9,410.5		8,449.8	
Inventories	8,687.6		6,400.7	
Trade Receivables	7,375.3		7,134.8	
Cash and Cash Equivalents	4,311.2		13,277.1	
Short-term Loans and Advances	8,495.0		3,906.1	
Other Current Assets	592.9	38,872.5	540.1	39,708.6
TOTAL		92,464.9		91,312.0

SUN PHARMACEUTICAL INDUSTRIES LIMITED

ABRIDGED AUDITED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012 AND 31ST MARCH, 2013

₹ in Million

	Year ended 31st March, 2013	Year ended 31st March, 2012
Revenue from Operations	25,184.9	40,804.9
Less: Excise Duty	863.5	649.3
	24,321.4	40,155.6
Other Income	2,361.7	3,428.5
Total Revenue	26,683.1	43,584.1
Expenses		
Cost of Materials Consumed	7,057.9	9,517.1
Purchases of Stock-in-Trade	2,009.6	1,874.8
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(105.3)	(817.3)
Employee Benefits Expense	2,348.7	3,165.6
Depreciation and Amortisation Expense	858.2	757.2
Other Expenses	7,883.7	8,829.2
Total Expenses	20,052.8	23,326.6
Profit Before Exceptional Item and Tax	6,630.3	20,257.5
Exceptional Item	-	(2,999.2)
Profit Before Tax	6,630.3	17,258.3
Tax Expense		
Current Tax	1,149.8	229.4
Deferred Tax	315.0	54.0
Profit for the Year	5,165.5	16,974.9

SCHEME OF ARRANGEMENT AND RECONSTRUCTION
BETWEEN
SUN PHARMA GLOBAL FZE - TRANSFEROR COMPANY
AND
SUN PHARMACEUTICAL INDUSTRIES LIMITED - TRANSFEREE COMPANY
AND THEIR RESPECTIVE MEMBERS AND CREDITORS
UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956

This Scheme of Arrangement provides for the demerger of the Specified Undertaking (as defined hereinafter) of Sun Pharma Global FZE., a foreign Limited Liability Company incorporated and licensed under Sharjah Airport International Free Zone ("SAIF") pursuant to Emiri Decree No. 2 of 1995. (hereinafter referred to as the "Transferor Company") as a going concern into Sun Pharmaceutical Industries Ltd., an Indian Company incorporated under the Companies Act, 1956 incorporated pursuant to certificate of incorporation dated 1st March, 1993 issued by the Registrar of Companies, Gujarat (Company Registration No. 04-19050 having CIN L24230GJ1993PLC019050) (hereinafter referred to as the "Transferee Company") pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Companies Act, 1956 for the Transferee Company and provisions of SAIF Zone of United Arab Emirates as may be applicable to Sun Pharma Global FZE.

I) PREAMBLE

(A) Description of Companies:

(I) The Transferor Company

1. is an unlisted company licensed under the SAIF- free trade zone of UAE and engaged in the business of manufacturing, general trading and exporting pharmaceutical formulations including investment, financing and other related activities. The products of the Transferor Company are sold in USA and various regulated markets of the world.
2. has, as part of its pharmaceutical business an undertaking catering to the ulcer therapeutic activities and other allied / related / incidental business.
3. Is also carrying on activities of investment in shares and securities.

(II) The Transferee Company was incorporated on 1st March, 1993 as a public limited company under Part IX of the Companies Act, 1956. The Transferee Company's main objects clause include development, manufacture, sale, trading, and export of various generic drug formulations, manufacture of drugs and pharmaceutical products and also carries out related investment and financing activities. It is currently listed on the BSE Limited and National Stock Exchange of India Limited.

(B) Rationale for the Scheme of Arrangement:

(a) The Transferor Company's business of Specified Undertaking and the Remaining Undertaking (both as defined hereunder) are continuously growing both horizontally and vertically. The Company needs to give focused and strategic attention to various parts/aspects of both the undertakings for maintaining this growth momentum as the same is an opportunity as well as a challenge.

The Specified Undertaking (as defined hereinafter) of the Transferor Company had shown good growth. In order to strengthen and sustain the long term growth, profitability, market share, customer service, and face the competitive regulatory environment, risks and policies etc. it requires focused management attention, different skill sets and resources. Similarly, the Remaining Undertaking (as defined hereinafter) of the Transferor Company has different profile requiring different kind of focus and attention to meet the ever expanding market / geography and growth opportunities, varied regulatory requirements, risks, litigation etc.

The Transferor Company intends to reorganise the Specified Undertaking to consolidate and integrate its operations with the activities of the Transferee Company as a part of group restructuring and hence it is

proposed to demerge its Specified Undertaking to the Transferee Company by way of demerger under this Scheme (as defined herein).

- (b) The Transferee Company is also engaged in export of pharmaceutical formulations to various regulated markets including USA. Hence such reorganisation will help to further strengthen and consolidate its operations for the regulated markets.
- (c) As the activities of Specified Undertaking and that of the Transferee Company are similar in nature, it would, therefore, be advantageous to combine the activities and operations into a single company for synergistic linkages and the benefit of financial and other resources of each other.
- (d) The proposed demerger of the Specified Undertaking of the Transferor Company is likely / expected to allow a focused strategy in operations of both the Companies along with faster decision making, which would be in the best interests of the Transferor Company and its shareholders and other stakeholders.
- (e) Arrangement and reconstruction will result in cost saving for both the companies as they are engaged in related activities which is expected to result in higher profitability levels through faster and effective decision making and avoiding duplication of efforts for both the Companies. It is believed that the faster decision making of the Companies would be in the best interests of the shareholders, employees and other stakeholders of both the Companies.
- (f) The Transferee Company will have the benefit of the combined resources of Specified Undertaking of the Transferor Company and Transferee Company i.e. reserves, investments, and other assets, finances, customers, distributors, brands etc. The Transferee Company would be in a position to consolidate operations through optimum utilization of its resources and avoidance of duplication.
- (g) The demerger may also provide scope for independent collaboration and expansion of the Remaining Undertaking / business of the Transferor Company without committing the existing organization in its entirety.
- (h) The Transferee Company would also have a larger network base, and greater borrowing capacity, which would provide it a competitive edge over others, especially in view of the increasing competition due to liberalization and globalization, which will be beneficial in more than one ways to the Transferee Company, its shareholders and other stakeholders.
- (i) The Boards of Transferor Company as well as Transferee Company believe that this demerger will contribute to smooth integration of relevant undertakings of both the Companies and would benefit the shareholders, employees and other stakeholders of the Transferor Company and the Transferee Company.

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

(C) Operation of the Scheme:

- (a) It is, therefore, proposed that Specified Undertaking of Sun Pharma Global FZE (as defined here under) be demerged, pursuant to the provisions of UAE Commercial Companies Law, and/or any other applicable laws and a Scheme of Arrangement and Reconstruction under Sections 391 to 394 of the Companies Act, 1956 and transferred to the Transferee Company for achieving the above mentioned objectives. The Transferor Company will continue its interests in the Remaining Undertaking as is presently being carried out but with greater focus, attention to the growth opportunities, and the regulatory requirements, risks, etc. specific to its business.
- (b) With the aforesaid objectives and to give effect to the terms of this Scheme of Arrangement and Reconstruction, the Transferor Company and Transferee Company have segregated the activities and operations of the Transferor Company between the Transferor and Transferee Company for synergistic linkages, focused attention besides the benefit of financial resources to them.
- (c) In furtherance of the aforesaid, this Scheme of Arrangement and Reconstruction provides for:
 - i. the demerger of the Specified Undertaking from the Transferor Company to the Transferee Company;

- ii. various other matters consequential or otherwise integrally connected herewith, including the reorganization of the capital and/or reserves of the Transferor Company and the Transferee Company.
- (d) The demerger of the Specified Undertaking under this Scheme of Arrangement and Reconstruction will be effected under the provisions of Sections 391 to 394 of the Companies Act, 1956 and relevant and applicable laws of UAE.
- (e) The demerger complies with the provisions of the Indian Income Tax Act, 1961, such that:
 - (i) All the properties of the Specified Undertaking (as defined hereinafter) being transferred by the Transferor Company immediately before the demerger become the properties of the Transferee Company by virtue of the demerger;
 - (ii) All the liabilities relatable to the Specified Undertaking being transferred by the Transferor Company, immediately before the demerger become the liabilities of the Transferee Company by virtue of the demerger;
 - (iii) The properties and the liabilities, of the Specified Undertaking being transferred by the Transferor Company are transferred to the Transferee Company at the values appearing in the books of account of the aforesaid Transferor Company immediately before the demerger; and
 - (iv) The transfer of the Specified Undertaking will be on a going concern basis.
- (f) The demerger of the Specified Undertaking under this Scheme of Arrangement and Reconstruction will be effected as a Scheme and / or as a contract under the provisions of UAE and other applicable laws and under section 391 to 394 of the Companies Act, 1956.

1. DEFINITIONS

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

- (a) “**Act**” means the Companies Act, 1956 as may be applicable, including any statutory modifications, re-enactments or amendments thereof and shall include the relevant and corresponding sections under Companies Act, 2013, as and when the same are made applicable before the effective date of the Scheme.
- (b) “**Appointed Date**” means 1st May, 2013 or such other date as may be approved by the High Court of Gujarat at Ahmedabad and any regulatory authority or other Governmental Authority, if applicable, at UAE.
- (c) “**Applicable Laws**” means any statute, notification, bye-laws, rules, regulations, guidelines, Common law, policy code, directives, ordinance, schemes, notices, orders or instructions, laws enacted or issued or sanctioned by any appropriate authority in India and UAE including any modifications or re-enactment thereof for the time being in force.
- (d) “**Court**” or “**High Court**”, means Hon’ble High Court of Gujarat at Ahmedabad, as applicable, and shall include the National Company Law Tribunal, if applicable in case of Transferee Company and any other Court or authorities involved for the Transferor Company such as court, governmental or regulatory authorities at United Arab Emirates(UAE).
- (e) “**Demerged Company**” or “**Transferor Company**” means Sun Pharma Global FZE incorporated under the laws of UAE and having its Registered Office at Office # 43, Block Y, SAIF Zone, P.O.Box # 122304, Sharjah, UAE.
- (f) “**Effective Date**” means the last of the dates on which the sanctions / approvals or orders as specified in Clause No. 18 of this Scheme has been obtained and / or filed by the Transferor Company and the Transferee Company with the Registrar of Companies and other Governmental Authorities.
- (g) “**Governmental Authority**” means any applicable Central, State or local Government, statutory, regulatory, departmental or public body or authority of relevant jurisdiction, legislative body or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof including Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies, Regional Directors, Foreign Investment Promotion Board, Reserve Bank of India, or arbitration or arbitral body having jurisdiction, Courts and other government and regulatory authorities of United Arab Emirates and India in each case.

- (h) **“Intellectual Property Rights”** means patents, trademarks, service marks, registered designs, data base rights, trade or business names, know-how, drug licenses (including the Abbreviated New Drug Application (“ANDA”) filed with the United States Food and Drug Authority relating to the Products), copyright (including but not limited to rights in software), design rights, domain name rights and any other intellectual property rights and rights of a similar or corresponding nature in any part of the world (in each case whether registered or not and whether capable of registration or not) in relation to the Products possessed/used by the Transferor Company in relation to the Specified Undertaking’s Activities.
- (i) **“Products”** means the formulations developed by using the active pharmaceutical ingredients of which the ANDA to market the formulation is owned by the Transferor Company which are identified as belonging to the Specified Undertaking.
- (j) **“Remaining Undertaking”** means all the businesses and activities of the Transferor Company other than the Specified Undertaking.
- (k) **“Scheme”** means this Scheme of Arrangement and Reconstruction in its present form including any modifications or amendments thereto, approved or imposed or directed by the Hon’ble High Court of Gujarat at Ahmedabad or any other Governmental Authority and High Court and with all the Schedules appended thereto.
- (l) **“Specified Undertaking’s Activities”** means:
 all activities of the Transferor Company relating to the business of developing, researching, manufacturing, processing, buying, selling, importing, trading, marketing, storing, distribution of pharmaceutical products for ulcer therapeutics and items related theretosuch as packing materials, packaging materials, raw materials, finished goods, inventory, stores, spares, etc. along with certain investment and financing activities.
- (m) **“Specified Undertaking”** shall mean and include on commencement of 1st May, 2013:
- I) All the assets, movable, immovable, tangible and intangible of the Specified Undertaking’s Activities of the Transferor Company (hereinafter referred to as ‘the said Assets’);
 - II) All secured and unsecured debts, liabilities (including contingent liabilities), duties and obligations of every kind and nature whatsoever and howsoever accruing or arising out of and all loans or borrowings raised and incurred and utilized for the Specified Undertaking of the Transferor Company, along with any charge, encumbrance, lien or security thereon, of the Transferor Company as on the Appointed Date(hereinafter referred to as ‘the said Liabilities’).
 - III) Without prejudice to the generality of sub-clause (I) and (II) mentioned above, the Specified Undertaking of the Transferor Company shall include all business and/or operations specific to the Specified Undertaking’s Activities comprising of assets including investments, loans and advances, claims, powers, authorities, allotments, approvals, consents, contracts, enactments, arrangements, rights, titles, interests, benefits, advantages, lease-hold rights and tenancies, and other intangible rights, hire purchase contracts and assets, lending contracts, employment contracts, distribution contracts, clearing and forwarding agency contracts, benefit of any security arrangements, reversions, permits, quotas, entitlements, registrations, licences (industrial or otherwise), registrations under all applicable laws and regulations, municipal / local permissions, systems of any kind whatsoever, rights and benefits of all agreements and other interests including rights and benefits under various schemes of different taxation and other laws as may belong to or be available to or be used by the Specified Undertaking or the Specified Undertaking’s Activities of the Transferor Company, rights and powers of every kind, nature and description of whatsoever probabilities, liberties, easements, tenancies, advantages, and approval of whatsoever nature and wherever situated, belonging to or in ownership, including but without being limited to trade and services marks, patents, copyrights, brand names, drug licenses, Intellectual Property Rights, technical know-how, goodwill, benefits and advantages of carrying on the business, availing any facilities of the Transferor Company for the Specified Undertaking’s Activities on mutually acceptable terms, enterprise resource planning software, accounting and other software, software licenses, permissions and connections, drawings, formulae, artwork secret processes, notings, website/ web page and any other Intellectual Property Rights of any nature whatsoever, authorizations, permits, all records, files, papers, computer programs, books of accounts, corporate records, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and

suppliers, customer credit information, customer and supplier pricing information and other records in connection with or in relation to the Specified Undertaking' Activities and all other interests of whatsoever nature belonging to or in the ownership, power, possession, or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Specified Undertaking's Activities;

- (n) "Transferee Company" means Sun Pharmaceutical Industries Limited, a public limited company incorporated under the Companies Act, 1956 having its Registered Office at Sun Pharma Advanced Research Centre, Tandalja, Vadodara, Gujarat-390020, India.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Companies Act, 1956, and other applicable laws, rules, regulations, bye-laws as the case may be or any statutory modifications or re-enactment thereof from time to time.

2. SHARE CAPITAL

- A. The Share Capital of the Transferor Company as per the audited Statement of Financial Position as on March 31, 2013 is as under:

Authorised Share Capital: (Amount)

101 Equity Shares of AED 150,000 each	AED 15,150,000	USD 4,124,694
Total	AED 15,150,000	USD 4,124,694

Issued, Subscribed and Paid up Share Capital: (Amount)

101 Equity Shares of AED 150,000 each	AED 15,150,000	USD 4,124,694
Total	AED 15,150,000	USD 4,124,694

Presently Sun Pharma Global Inc., the 100% subsidiary of the Transferee Company holds 100% of the Issued, Subscribed and Paid up Equity Share Capital of the Transferor Company and hence the Transferor Company is an indirect Wholly Owned Subsidiary of the Transferee Company.

There is no change in the Share Capital of the Transferor Company as on the date of this Scheme.

- B. The Share Capital of the Transferee Company as per the Audited Balance Sheet as on March 31, 2013 is as under:

Authorised Share Capital: (Amount in Rs.)

1,500,000,000 Equity Shares of Re.1/- each	Rs. 1,500,000,000
Total	Rs. 1,500,000,000

Issued, Subscribed and Paid-up Share Capital: (Amount in Rs.)

1,035,581,955 Equity Shares of Re. 1/- each	Rs. 1,035,581,955
Total	Rs. 1,035,581,955

In terms of the resolution passed by shareholders by way of Postal Ballot on July 15, 2013, the Company has allotted 1,035,581,955 bonus equity shares on August 3, 2013 in the ratio of 1 equity share of Re. 1/- each fully paid up for every equity share of Re. 1/- each held. Pursuant to such issue of bonus shares the present position of Share Capital of the Transferee Company is as follows:

Authorised Share Capital: (Amount in Rs.)

3,000,000,000 Equity Shares of Re.1/- each	Rs. 3,000,000,000
Total	Rs. 3,000,000,000

Issued, Subscribed and Paid-up Share Capital: (Amount in Rs.)

2,071,163,910 Equity Shares of Re. 1/- each	Rs. 2,071,163,910
Total	Rs. 2,071,163,910

The Transferee Company presently holds 100% of the Issued, Subscribed and Paid Up Equity capital of Sun Pharma Global Inc., the 100% holding company of the Transferor Company and hence the Transferor Company is an indirect Wholly Owned Subsidiary of the Transferee Company. Consequently, upon the Scheme of Arrangement and Reconstruction becoming finally effective, the Transferee Company will not be required to issue Equity Shares in terms of this Scheme to the shareholders of the Transferor Company.

3. DEMERGER AND VESTING/TRANSFER OF SPECIFIED UNDERTAKING:

- (a) On and with effect from the Appointed Date and subject to the provisions of this Scheme and pursuant to the provisions of Section 394 of the Companies Act, 1956 and other applicable provisions of the Act and Applicable Laws and in relation to the mode of transfer and vesting, the Specified Undertaking of the Transferor Company shall without any further act, instrument or deed, be and the same shall stand transferred to and / or vested in or be deemed to have been and stand transferred to or vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the estate, rights, authorizations, titles and interests and authorities including accretions and appurtenances thereto such as dividends, or other benefits receivable, that of the Transferee Company .
- (b) With effect from the Appointed Date, and subject to the provisions of this Scheme, all the Liabilities (including the contingent liabilities) of the said Specified Undertaking of the Transferor Company shall stand transferred or deemed to have been transferred without any further act, instrument or deed of the Transferee Company, pursuant to the provisions of Section 394 of the Companies Act, 1956 and other applicable provisions of the Act and Applicable Laws so as to become as and from the Appointed Date, the debts, liabilities (including contingent liabilities), duties and obligations of the Transferee Company and further that it shall not be necessary to obtain consent of any third party or other person who is a party to the contract or arrangements by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Clause.
- (c) With effect from the Appointed Date, and subject to the provisions of this Scheme, all the Assets (both the tangible and the intangible assets) of the said Specified Undertaking of the Transferor Company shall stand transferred or deemed to have been transferred without any further act, instrument or deed of the Transferee Company, pursuant to the provisions of Section 394 of the Companies Act, 1956 and other applicable provisions of the Act and Applicable Laws so as to become as and from the Appointed Date, the assets of the Transferee Company.
- (d) With effect from the Appointed date, all taxes paid, taxes refund due or receivable, carried forward losses, depreciation, capital losses, pending balances of amortizations etc., under the UAE laws including application for rectification, appeals filed with tax authorities of the Specified Undertaking of the Transferor Company shall also, pursuant to Section 394 of the Companies Act, 1956 and other applicable provisions of the Act and Applicable Laws without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company, so as to become as from the Appointed Date the direct taxes paid, direct taxes refund due or receivable, (whether as per Books or as per Income Tax) of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person, in order to give effect to the provision of this Sub-Clause.
- (e) All the employees of the Specified Undertaking shall, without any further act, instrument or deed of the Transferee Company, pursuant to the provisions of Section 394 of the Companies Act, 1956 and other applicable provisions of the Act and the Applicable Laws, become as and from the Appointed Date, the employees of the Transferee Company and further that it shall not be necessary to obtain consent of any person, in order to give effect to the provisions of this Clause.
- (f) Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Specified Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.

- (g) For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licences, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, powers of attorney given by, claims, powers, authorities, allotments, approvals, consents, contracts, enactments, arrangements, rights, titles, interests, benefits, advantages, lease-hold rights and tenancies, and other intangible rights, hire purchase contracts and assets, lending contracts, employment contracts, distribution contracts, clearing and forwarding agency contracts, benefit of any security arrangements, reversions, permits, quotas, entitlements, registrations, licences (industrial or otherwise), registrations under the applicable laws, municipal/local permissions, etc. issued to or executed in favour of the Transferor Company shall stand transferred to the extent it relates to and pertains to the Specified Undertaking, to the Transferee Company in which the Specified Undertaking shall vest by way of the demerger hereunder, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall make applications to and obtain relevant approvals, etc. from the concerned authorities and / or parties as may be necessary in this behalf and the Transferor Company shall cooperate and provide the required support wherever required.
- (h) It is clarified that if any assets (estate, claims, rights, title, interest in or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Specified Undertaking, which the Transferor Company owns or to which the Transferor Company is a party and which cannot be transferred to the Transferee Company for any reason whatsoever, the Transferor Company shall hold such assets etc. in trust for the benefit of the Transferee Company to which the Specified Undertaking is being transferred in terms of this Scheme, in so far as it is permissible so to do, till such time as the transfer is effected and till such time the Transferee Company shall be entitled to utilise, operate, avail the same for the Specified Undertaking's Activities without any consideration.
- (i) Where any of the debts, liabilities (including contingent liabilities), loans raised and used, liabilities and obligations incurred, duties and obligations of Specified Undertaking of the Transferor Company as on the Appointed Date deemed to be transferred to the Transferee Company have been discharged by Specified Undertaking of the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.
- (j) All Intellectual Property Rights of the Transferor Company in relation to the Specified Undertaking's Activities as on the Appointed Date including those developed by the Transferor Company in relation to the Specified Undertaking's Activities for the period from the Appointed Date and upto the Effective Date, shall stand transferred by the Court Orders to the Transferee Company and the Transferee Company shall be entitled to undertake all such actions as may be necessary to procure the assignment of the Intellectual Property Rights in its favour.
- (k) All loans raised and used and all liabilities and obligations incurred by the Transferor Company for the operations of Specified Undertaking after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Transferee Company in which the Specified Undertaking shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Transferee Company and shall become the debts, liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.
- (l) Without prejudice to clause (a) above, it is expressly provided that in respect of such assets belonging to and specific to the Specified Undertaking of the Transferor Company as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company, and shall become the property of the Transferee Company in pursuance of the provisions of Section 394 and other applicable provisions of the said Act.
- (m) The Transferor Company may, if required, give notice in such form as it may deem fit and proper to each party, debtor or deposittee as the case may be that pursuant to the Governmental Authority sanctioning the Scheme, the said debt, loan, advance, etc. be paid or made good or held on account of the Transferee Company as the person entitled thereto and that the right of the Transferor Company to recover or realise the same stands extinguished.

- (n) The Transferee Company may, if required, give notice in such form as it may deem fit and proper to each person, debtor or depositor that pursuant to the High Court of Gujarat, Ahmedabad, India having sanctioned the Scheme, the said person, debtor or depositor should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of the Transferee Company to recover or realise the same is in substitution of the right of the Transferor Company.
- (o) With effect from the Appointed Date, the existing securities / charges created over assets of the Specified Undertaking by the Transferor Company in favour of consortium of banks or banks and financial institutions, if any, shall extinguish and shall cease to have any effect over the said assets to be transferred to the Transferee Company and such said assets shall be automatically available to the Secured Creditors of the Transferee Company as extended security upon approval of the Scheme.
- (p) Without prejudice to the provisions of the foregoing clauses and upon the effectiveness of this Scheme, the Transferor Company and the Transferee Company shall execute such instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and / or modification(s) of charge, with the relevant regulatory authority and Governmental Authorities to give formal effect to the above provisions, if required.
- (q) Upon the coming into effect of this Scheme, the Transferor Company alone shall be liable to perform all obligations in respect of the liabilities as on the Appointed Date, which have not been transferred to Transferee Company in terms of the Scheme, and the Transferor Company alone shall have all obligations in respect of such liabilities, and the Transferor Company shall indemnify the Transferee Company in relation to any claim, at any time, against the Transferee Company in respect of the liabilities which have been retained by the Transferor Company.
- (r) Upon the coming into effect of this Scheme, the Transferee Company alone shall be liable to perform all obligations in respect of the liabilities (including contingent liabilities) from the Appointed Date, which have been incurred by the Transferor Company for and on behalf of the Transferee Company and in relation to the Specified Undertaking in terms of the Scheme, and the Transferor Company shall not have any obligation in respect of such liabilities and the Transferee Company shall indemnify the Transferor Company in relation to any claim, at any time, against the Transferor Company in respect of such liabilities.
- (s) It is expressly provided that no other term or condition of the liabilities not transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- (t) Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of the clause 3 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall stand modified and / or superseded by the foregoing provisions with effect from the Appointed Date or such other date as is specified herein above, as the case may be.

4. CONTRACTS, DEEDS AND OTHER INSTRUMENTS:

Subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature in relation to the Specified Undertaking to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall continue in full force and effect against or in favour of the Transferee Company as the case may be and may be enforced as fully and effectively as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto. The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into a tripartite arrangement, confirmation or novation to which the Transferor Company will, if necessary, also be a party in order to give formal effect to this clause, if so required or become necessary.

5. LEGAL PROCEEDINGS:

- (a) Upon coming into effect of this Scheme, all suits, claims, actions and/or proceedings by or against the Transferor Company, pertaining to the Specified Undertaking of the Transferor Company, arising after the Appointed Date but before the Effective Date shall be continued and be enforced by or against the Transferee Company as effectually as if the same had been pending and / or arising by or against the Transferee Company.

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

6. OPERATIVE DATE OF THE SCHEME:

This Scheme though effective from the Appointed Date shall be operative from the Effective Date.

7. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY AND TRANSFEE COMPANY TILL EFFECTIVE DATE:

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

- (i) The Transferor Company shall carry on and shall be deemed to have carried on all the business and activities of the Specified Undertaking as hitherto and shall be deemed to have held and stood possessed of the undertaking on account of, and for the benefit of and in trust for the Transferee Company.
- (ii) All the profits or income accruing or arising to the Specified Undertaking of the Transferor Company or expenditure or losses arising or incurred (including the effect of taxes, if any, thereon) by the Specified Undertaking of the Transferor Company shall, for all purposes be treated and be deemed to be accrued as the profits or income or incurred as the expenditure or losses or taxes of the Transferee Company, as the case may be.
- (iii) The Transferor Company shall carry on its business and activities of the Specified Undertaking with reasonable diligence and business prudence.

The Transferor Company shall not vary the terms and conditions and employment of permanent employees of the Specified Undertaking except in the ordinary course of business or with prior written approval of the Transferee Company.

- (iv) The Transferor Company shall not, without prior written consent of the Transferee Company, take any major policy decisions in respect of management of the Specified Undertaking except in the ordinary course of business.
- (v) The Transferor Company and the Transferee Company shall co-operate with each other for smooth transfer of the Specified Undertaking from the Transferor Company to the Transferee Company and any director of the Transferor Company and any director of the Transferee Company shall be empowered to give effect to the scheme in all aspects as may be necessary or expedient including settling any question or difficulties arising in relation to the Scheme in such manner as they deem fit to attain the objectives of this Scheme and their decision in this regard shall be final and binding.

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

8. CONSIDERATION BY THE TRANSFEE COMPANY:

The Transferor Company is a wholly owned subsidiary of Sun Pharma Global Inc. which is the wholly owned subsidiary of the Transferee Company i.e. the only shareholder of the Transferor Company is the wholly owned subsidiary of the Transferee Company. The Scheme is intended to restructure the Specified Undertaking's Activities in more efficient and focussed manner in the Transferee Company consistent with the diverse needs of the business and does not involve any movement of assets to any company outside the group controlled by the Transferee Company. Also, the shareholder of the Transferor Company being a 100% subsidiary of the Transferee Company, the Transferee Company can not issue shares to shareholder of the Transferor Company being its 100% subsidiary,

pursuant to Applicable Laws in India and the Scheme being an internal group restructuring between the Transferee Company and the Transferor Company, the Transferee Company shall not pay any consideration to the shareholder of the Transferor Company. Hence, the Transferee Company shall not be required to issue any shares or pay any consideration to the Transferor Company or to its shareholders. Accordingly, no consideration shall be payable by the Transferee Company under the Scheme.

9. ACCOUNTING BY TRANSFEROR COMPANY AND THE TRANSFEE COMPANY IN RESPECT OF TRANSFER OF SPECIFIED UNDERTAKING:

(i) Accounting treatment in the books of the Transferor Company:

- (a) The assets and liabilities of the Specified Undertaking of the Transferor Company which are being transferred to the Transferee Company shall be recorded at values appearing in the books of accounts of the Transferor Company as on the Appointed Date.
- (b) An amount equivalent to the book value of net assets [i.e. Total Assets minus the Total Liabilities pertaining to the Specified Undertaking] transferred to the Transferee Company by the Transferor Company in terms of this Scheme, shall be adjusted first to the Capital Reserve account of the Transferor Company and the balance remaining if any shall be adjusted to the Retained Earnings account of the Transferor Company.

(ii) Accounting treatment in the Books of the Transferee Company:

- (a) Upon coming into effect of this Scheme and upon the arrangement becoming operative, the Transferee Company shall record the assets and liabilities transferred to and vested in them pursuant to this Scheme, at the book values of the respective assets and liabilities as recorded in the books of account of the Transferor Company as on the Appointed Date.
- (b) As on the Appointed Date, and subject to any corrections and adjustments as may be considered necessary, in the opinion of the Board of Directors of the Transferor Company, the assets and liabilities pertaining to Specified Undertaking of the Transferor Company will be merged with the assets and liabilities of the Transferee Company in the same form as they appeared in the financial statements of the Specified Undertaking of the Transferor Company except those which are not in compliance with the applicable accounting standards in India and the same will be merged as per the policies adopted and acceptable as per the applicable accounting standards in India.
- (c) The total of Net Assets [i.e. Total Assets minus Total Liabilities] pertaining to the Specified Undertaking recorded at book values as recorded in the books of account of the Transferor Company shall be credited to Capital Reserve Account or debited to the Goodwill account, as the case may be, in the books of the Transferee Company.

10. TRANSFEROR COMPANY'S EMPLOYEES:

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

11. TAX CREDIT/DUTIES/CESS ETC.

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

Upon this Scheme being effective, both the Transferor Company and the Transferee Company, if required, are expressly permitted to revise and file their respective income tax returns and other statutory returns, including tax deducted / collected at source returns, service tax returns, excise tax returns, sales tax / VAT returns, as may be applicable and has expressly reserved the right to make such provision in its returns and to claim refunds or credits etc. if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired.

12. REMAINING UNDERTAKING:

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

13. APPLICATION TO THE HIGH COURT AND GOVERNMENTAL AUTHORITY:

The Transferor Company shall make its application for such arrangement and reconstruction to such Governmental Authorities as may be prescribed by the applicable laws of UAE, if required and the Transferee Company shall make all applications/petitions under Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Act and Applicable Laws to the High Court and the Governmental Authority, as applicable, for sanctioning of this Scheme for carrying this Scheme into effect and obtain all approvals as may be required under law.

14. SAVING OF CONCLUDED TRANSACTIONS:-

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

15. MODIFICATIONS, AMENDMENTS TO THE SCHEME:

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

For the purpose of giving effect of this Scheme or to any modifications or amendments, thereof, any of the Directors of the Transferor Company and any of the Directors of the Transferee Company may give and are authorised to give all such directions that are necessary or are desirable including directions for settling any doubts or difficulties that may arise.

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

16. SEVERABILITY

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

17. SCHEME CONDITIONAL UPON APPROVALS/SANCTIONS:

This Scheme is specifically conditional upon and subject to:

- (a) The approval of and agreement to the Scheme under Securities and Exchange Board of India Regulations and Guidelines and by the requisite majorities of such classes of persons, members and creditors of the Transferor Company and the Transferee Company as may be directed by the Regulatory Authorities of UAE, if any and Hon'ble High Court of Gujarat at Ahmedabad or such other Governmental Authorities on the applications made for directions under Section 391 of the said Act for calling meetings or otherwise and necessary resolutions being passed / consents obtained under the applicable Act for the purpose .
- (b) The sanctions of the Hon'ble High Court of Gujarat at Ahmedabad being obtained under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 or any other Governmental Authorities for the Transferee Company and such laws as applicable in UAE, if so required on behalf of the Transferor Company and the Transferee Company.

- (c) The certified copies of the High Court orders referred to in this Scheme being filed with the Registrar of Companies, Ahmedabad, Gujarat, as applicable and Governmental Authority of UAE, if required.
- (d) The decision of the Board of Directors of the Companies with respect to approval and/or filing whether required or not with the Governmental Authorities shall be final and binding.

18. EFFECTIVE DATE OF THE SCHEME:

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

- (a) The date on which the last of all the consents, approvals, permissions resolutions sanctions and/or orders as are hereinabove referred to have been obtained or passed; and
- (b) The date on which all necessary certified copies of the order under sections 391 and 394 of the Companies Act, 1956 are duly filed with the Registrar of Companies, Ahmedabad, Gujarat and Governmental Authority as applicable at UAE, if required and such date shall be referred to as Effective Date for the purpose of the Scheme.

However the Effective Date shall not be affected by any of the modifications that might be required to be made as provided under clause 15 and the Effective Date for such modified scheme shall be the same as mentioned in the above paragraphs.

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

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

In the event of any of the said sanctions and/or approvals referred to in the preceding Clause No. 17 above not being obtained and/or the Scheme not being sanctioned by the Hon'ble High Court or any other Governmental Authorities and/or the Order(s) not being passed or sanctions not being granted as aforesaid before December 31, 2014 or within such further period(s) as may be agreed upon from time to time by the Transferor Company (by its Directors) and the Transferee company (by its Directors), and the Board of the Directors of the Transferor Company and the Transferee company are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any limitations in exercise of their power through and by its delegates, this Scheme shall stand revoked, cancelled and be of no effect save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, obligation and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in this Scheme and or otherwise arise as per Law.

20. EXPENSES CONNECTED WITH THE SCHEME:

All costs, charges and expenses, including any taxes and duties of the Transferor Company and the Transferee Company respectively in relation to or in connection with or incidental to this Scheme and of carrying out and completing the terms of this Scheme shall be borne and paid by the Transferee Company.



Sun Pharmaceutical Industries Limited

Registered Office: SPARC, Tandalja, Vadodara - 390 020, Gujarat.
Tel No: 0265-6615500/600/700 Fax No: 0265-2354897
CIN : L24230GJ1993PLC019050, Website: www.sunpharma.com

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD ORIGINAL JURISDICTION COMPANY APPLICATION NO. 88 OF 2014

In the matter of Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956;

And

In the matter of
Sun Pharmaceutical Industries Limited.

A company incorporated under the Companies Act, 1956 and having its registered office at SPARC, Tandalja, Vadodara- 390 020, in the State of Gujarat.

And

Scheme of Arrangement and Reconstruction in the nature of Demerger and Transfer of Specified Undertaking of Sun Pharma Global FZE to Sun Pharmaceutical Industries Limited.

Sun Pharmaceutical Industries Limited.

A company incorporated under the Companies Act, 1956 and having its registered office at SPARC, Tandalja, Vadodara- 390 020, in the State of Gujarat

..... Applicant Company

FORM OF PROXY

I, the undersigned, the Equity Shareholder of Sun Pharmaceutical Industries Limited, do hereby appoint Mr./Ms. of and failing him/her of as my Proxy to act for me at the Court convened meeting of the Equity Shareholders of the Applicant Company to be held on Monday, the 5th day of May 2014 at 11.00 a.m., at the Sir Sayajirao Nagargruh, Akota, Vadodara - 390 020, in the State of Gujarat, for the purpose of considering, and, if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme of Arrangement and Reconstruction in the nature of Demerger and Transfer of Specified Undertaking of Sun Pharma Global FZE to Sun Pharmaceutical Industries Limited, (the "Scheme of Arrangement and Reconstruction"), and at such meeting and any adjournment/adjournments thereof, to vote, for me and in my name (here, if for insert "for", if against insert "against" and in the latter case, strike out the words below after "Scheme") the said Scheme either with or without modification(s) as my proxy may approve.

Dated this day of 2014

Affix Re. 1
Revenue Stamp

Signature

Name : _____

Address : _____

Notes :

1. The Form of Proxy must be deposited at the Registered Office of the Company at SPARC, Tandalja, Vadodara, Gujarat - 390020 not less than 48 (forty eight) hours before the time of holding the aforesaid meeting.
2. If you are a body corporate, as the shareholder, a copy of the Resolution of the Board of Directors or the governing body authorizing such person to act as its representative/proxy at the meeting and certified to be a true copy by a Director, the manager, the secretary or any other authorised officer of such body corporate be lodged with the Applicant Company at its registered office not later than 48 (forty eight) hours before the meeting.
3. A proxy need not be a shareholder of Sun Pharmaceutical Industries Limited.
4. All alterations made in the Form of Proxy should be initialed.
5. In case of multiple proxies, the proxy later in time shall be accepted.

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Sun Pharmaceutical Industries Limited

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

Tel No: 0265-6615500/600/700 Fax No: 0265-2354897

CIN: L24230GJ1993PLC019050

Website: www.sunpharma.com

ATTENDANCE SLIP

Name	:	
Address	:	
Folio No./D.P. ID No.	:	
Client I.D. No .	:	
No. of Equity shares held	:	

I /We hereby record my presence at the at the Court convened meeting, pursuant to the Order dated 1st Day of April, 2014, Hon'ble High Court of Gujarat, of the Equity Shareholders of the Company at Sir Sayajirao Nagargruh, Akota, Vadodara - 390 020, in the state of Gujarat on Monday, 5th May, 2014 at 11.00 a.m.

SIGNATURE OF THE ATTENDING MEMBER/PROXY : _____

NOTES :

- (1) Shareholder / Proxyholder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand over at the entrance duly signed.
- (2) Shareholder / Proxyholder desiring to attend the meeting should bring his/her copy of the Notice for reference at the meeting.

BOOK - POST

If undelivered please return to:

Sun Pharmaceutical Industries Limited

Acme Plaza, Andheri - Kurla Rd,

Andheri (E), Mumbai - 400 059

Tel: 91-22-66969696; Fax: 91-22-28212010

www.sunpharma.com