Annexure – B

SCHEME OF MERGER BY ABSORPTION

OF

MANGALAM LABORATORIES PRIVATE LIMITED
(FIRST TRANSFEROR COMPANY)

AND

SHRI JB PHARMA PRIVATE LIMITED
(FORMERLY KNOWN AS SHRI JB PHARMA LLP)
(SECOND TRANSFEROR COMPANY)

WITH

MANGALAM DRUGS AND ORGANICS LIMITED
(TRANSFEREE COMPANY)

AND

THEIR RESPECTIVE SHAREHOLDERS

(UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013)

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For Mangalam Drug & Organics Ltd.
Company Secretary

PARTS OF THE SCHEME:

This Scheme is divided into the following parts:

Part A	Deals with Preamble, Background of Companies, Rationale of the Scheme, Definitions, Date of taking effect and Share Capital;
Part B	Deals with the Transfer and Vesting of Transferor Companies into Transferee Company, Consideration, Accounting Treatment, Consolidation of Authorised Share Capital, Declaration of dividend, and Books and Records of Transferee Company and other related matters; and
Part C	Deals with General Terms and Conditions of the Scheme.

PART A

1. PREAMBLE

This Scheme of Merger by Absorption (herein after referred to as "**the Scheme**") is presented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for Merger by Absorption of Mangalam Laboratories Private Limited ("MLPL" or "First Transferor Company") and Shri JB Pharma Private Limited *(Formerly known as Shri JB Pharma LLP)* ("SJPPL" or "Second Transferor Company") with Mangalam Drugs and Organics Limited ("MDOL" or "Transferee Company").

This Scheme has been formulated and presented under Sections 230 to 232 and other applicable sections of the Companies Act, 2013 and also provides for various other matters consequential or otherwise integrally connected herewith.

2. BACKGROUND OF COMPANIES

2.1. **Mangalam Laboratories Private Limited** (hereinafter referred to as "**MLPL**" or the "**First Transferor Company**") is a Private Limited Company having Corporate Identity Number U99999MH1988PTC049485, incorporated under the Companies Act, 1956 on 4th day of 03rd November, 1988 under the name and style of 'Mangalam Laboratories Private Limited', and deemed to exist within the purview of the Companies Act, 2013. The Registered Office of the First Transferor Company is situated at 239, 3rd Floor, Rupam Building, P'D Mello Road, Near G.P.O., Mumbai – 400001, Maharashtra, India. The First Transferor Company is engaged in the business of dealing in organic and inorganic chemicals and heavy chemicals including but not limited to other pharmaceutical products The First Transferor Company is a Wholly Owned Subsidiary of the Transferee Company.

2.2. **Shri JB Pharma Private Limited *(Formerly known as Shri JB Pharma LLP)*** (hereinafter referred to as "**SJPPL**" or the "**Second Transferor Company**") is a Private Limited Company, having Corporate Identity Number U21001MH2023PTC402579, incorporated under the Companies Act, 2013 on 09th Day of May, 2023 under the name and style of 'Shri JB Pharma Private Limited', and deemed to exist within the purview of the Companies Act, 2013. The Second Transferor Company was originally incorporated as Shri JB Pharma LLP on 15th Day of July, 2015 which was converted to Private Limited Company and consequent to such conversion, the name of the Second Transferor Company was changed from 'Shri JB Pharma LLP' to 'Shri JB Pharma Private Limited' and fresh certificate of Incorporation was issued by Registrar of Companies on 09th Day of May, 2023. The registered office of the Second Transferor Company is situated at 239, 3rd Floor, Rupam Building, P'D Mello Road, Near G.P.O., Mumbai – 400001, Maharashtra, India. The Second Transferor Company is engaged in the business of buying, retailing and whole-selling all kinds of pharmaceuticals, pharmaceutical line chemicals, pharmaceutical products and bulk

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Jayant Reddy
Company Secretary

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SHRI JB PHARMA PVT. LTD. MUMBAI

drugs. The Second Transferor Company is one of the Promoter of the Transferee Company and holds 26,50,000 Equity Shares of Rs. 10/- each thereby aggregating to 16.74 % in Share Capital of the Transferee Company.

First Transferor Company and Second Transferor Company are collectively referred to as "Transferor Companies.

2.3. **Mangalam Drugs and Organics Limited** (hereinafter referred to as "**MDOL**" or the "**Transferee Company**") is a Public Limited Company, having Corporate Identity Number L24230MH1972PLC116413, incorporated under the Companies Act, 1956 on 18th Day of April, 1972 under the name and style of 'Advent Pharma Private Limited', and deemed to exist within the purview of the Companies Act, 2013. The Transferee Company was originally Incorporated as Private Company which was converted to Public Company and consequent upon said change of status, the name of the Transferee Company was changed from 'Advent Pharma Private Limited' to 'Mangalam Drugs and Organics Limited' vide fresh certificate on conversion issued by Registrar of Companies on 01st Day of July, 1997. The Registered Office of the Transferee Company at time of Incorporation was situated in state of Maharashtra which was shifted to Gujrat vide Certificate of Registration of Order of Company Law Board issued by Registrar of Companies on 14th Day of July, 1995. The Registered Office of Transferee Company was again shifted from State of Gujrat to State of Maharashtra vide Certificate of Registration of Order of Company Law Board issued by Registrar of Companies on 02nd Day of September, 1998. The Registered Office of the Transferee Company is situated at 239, 3rd Floor, Rupam Building, P'D Mello Road, Near G.P.O., Mumbai – 400001, Maharashtra, India. The Transferee Company is engaged in the business of producing, manufacturing and preparing of Active Pharmaceutical Ingredients and Intermediates and any material necessary for the manufacture of pharmaceutical and medicinal preparations, chemicals and drugs. The Transferee Company is a Public Listed Company with its Equity Shares listed on the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited and is the Holding Company of the First Transferor Company.

3. RATIONALE AND PURPOSE OF THE SCHEME

The rationale for the Merger of MLPL, SJPPL with MDOL is as under:

All the Transferor Companies and the Transferee Company belong to the same Group who manage and control the business of these Companies and are largely engaged in same kind of business activities. Thus, the merger of Transferor Companies with the Transferee Company shall achieve following:

- Consolidation of business activities of all the Companies and will facilitate effective management of investments and synergies in operation.
- Economies of scale will play a bigger role as the consolidated entity's operational efficiency will increase, which will in turn allow the merged entity to compete on a larger scale in the industry, thus benefiting the merged entity and the shareholders.
- Better financial leverage, resulting in greater efficiency in cash and debt management and access to cash flow generated by the combined business, which can be deployed more efficiently to realize higher profits / margins for the combined entity;
- Integrated operational and marketing strategies, inter-transfer of resources / costs will result in optimum utilization of assets;
- Reducing number of entities in the group thereby reducing managerial overlaps, which are necessarily involved in running multiple entities; and
- Reduce regulatory and legal compliances / filings including accounting, reporting requirements, statutory and internal audit requirements, tax filings, etc. and consequential reduction in administrative costs;

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There is no likelihood that any creditor of the Transferor Companies or the Transferee Company will be prejudiced as a result of the Scheme. The Scheme will neither impose any additional burden on the shareholders of the Transferor Companies, nor will it adversely affect the interests of any of the shareholders or creditors of the Transferor Companies and Transferee Company. Further, the Scheme is only for the Merger of the Transferor Companies with the Transferee Company and is not an arrangement with the creditors of any of the entities involved.

Accordingly, the Board of Directors of the Transferor Companies and the Transferee Company have formulated this Scheme for the transfer and vesting of all the assets and liabilities of the Transferor Companies with and into the Transferee Company pursuant to the provisions of Sections 230-232 and other relevant provisions of the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof).

4. DEFINITIONS

In this Scheme (as defined hereinafter), unless inconsistent with the subject or context, the following expressions shall have the following meaning:

4.1. **"Act" or "the Act"** means the Companies Act, 2013, the rules and regulations made thereunder and will include any statutory modifications, re-enactments and/or amendments thereof.

4.2. **"Accounting Standards"** means the applicable accounting standards in force in India from time to time, consistently applied during the relevant period, including the generally accepted accounting principles and standards, Indian Accounting Standard (Ind AS), and all pronouncements including the guidance notes and other authoritative statements of the Institute of Chartered Accountants of India and clarification issued by the Ind AS Transition Facilitation Group ('ITFG').

4.3. **"Appointed Date"** means 1st day of January, 2024, from the start of the business hours of 1st day of January, 2024 or such other date as Hon'ble National Company Law Tribunal may direct or fix, for the purpose of Merger.

4.4. **"Appropriate Authority"** means any applicable Central, State or Local Government, Legislative Body, Regulatory, Administrative or Statutory Authority (including but not limited to Directorate of Industries, Directorate General of Foreign Trade, Maharashtra Industrial Development Corporation), Agency or Commission or Department or Public or Judicial Body or Authority, including, but not limited, to Regional Director, Registrar of Companies, Securities and Exchange Board of India, BSE Limited, The National Stock Exchange of India Limited and Hon'ble NCLT.

4.5. **"Board of Directors"** means and includes the respective Board of Directors of MLPL, SJPPL and MDOL as the context may require and shall, unless it be repugnant to the context or otherwise, include a duly constituted committee of directors or any person(s) authorised by the Board of Directors or such committee of directors.

4.6. **"Effective Date"** means the date or last of the dates on which the certified / authenticated copy of the order of the Hon'ble NCLT sanctioning this Scheme is filed with the Registrar of Companies, Mumbai by the Transferor Companies and the Transferee Company. Any reference in this Scheme to the date of "coming into effect of this Scheme" "Effectiveness of the Scheme" or "upon the Scheme becoming effective" shall be mean Effective Date.

4.7. **"Employees"** mean employees of the Transferor Companies as may be identified by the Board of Directors of the Transferor Companies, as on the Effective Date.

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4.8. "**Eligible Member**" shall mean each person whose name appears in the register of members of the Transferor Companies and / or whose name appears as the beneficial owner of the equity shares of the Transferor Companies in the record of depositories on the Record Date (other than the Transferee Company)

Explanation: The term Eligible member is defined in the scheme only for the purpose of Shares allotment as mentioned in Para 12.1. It Excludes Transferee Company from getting the shares as it cannot issue the shares to itself. Further it does not take away any voting rights of Transferee Company as a shareholder of Transferor Companies.

4.9. "**Encumbrance**" means any options, pledge, mortgage, lien, security, interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever; and the term "**Encumbered**" shall be construed accordingly.

4.10. "**Income Tax Act, 1961**" means the Income Tax Act, 1961, including any statutory modifications, re-enactments or amendments thereof for the time being in force.

4.11. **"Input Tax Credit"** means CENVAT Credit as defined under the CENVAT Credit Rules, 2004 and GST Input credit as defined in Central Goods & Service Tax Act, 2017, Integrated Goods & Service Tax Act, 2017 and respective State Goods & Service Tax laws and any other tax credits under any indirect tax law (including Goods & Services Tax Rules/Act) for the time being in force.

4.12. "**INR**" or "**₹**" or "**Rs.**" means Indian Rupees, the sovereign currency of India.

4.13. **"Merger"** means the amalgamation of the Transferor Companies into Transferee Company in accordance with Section 2 (1B) of the Income Tax Act, 1961.

4.14. **"MLPL"** or **"First Transferor Company"** means **Mangalam Laboratories Private Limited**, a Company incorporated under the Companies Act, 1956, having Corporate Identity Number: U99999MH1988PTC049485.

4.15. **"MDOL"** or **"Transferee Company"** means **Mangalam Drugs and Organics Limited**, a Company incorporated under the Companies Act, 1956, having Corporate Identity Number: L24230MH1972PLC116413.

4.16. **"NCLT"** or "**Hon'ble NCLT**" means the Mumbai Bench of Hon'ble National Company Law Tribunal or any other competent authority as constituted and authorized as per the provisions of the Act for approving any scheme of arrangement, compromise or reconstruction of companies under Sections 230 to 232 and other applicable provisions of the Act.

4.17. **"Record Date"** means the date fixed by the Board of Directors or a committee thereof, if any, of the Transferee Company for the purpose of determining the members of the Transferor Companies to whom New Equity Shares of Transferee Company will be allotted pursuant to the Scheme.

4.18. **"Registrar of Companies"** means the Registrar of Companies, Mumbai, having jurisdiction in relation to both the Transferor Company and the Transferee Company.

4.19. **"Scheme of Merger by Absorption"** or **"Scheme"** or **"the Scheme"** or **"this Scheme"** means this Scheme of Merger by Absorption in its present form with any modification(s) made in accordance with the terms hereof.

4.20. **"SEBI"** or **"Securities and Exchange Board of India"** means Securities and Exchange Board of

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India established under Section 3 of the Securities and Exchange Board of India Act, 1992.

4.21. **"Share Exchange Ratio"** shall have the meaning ascribed to it in Clause 12.1 of this Scheme.

4.22. **"SJPPL"** or **"Second Transferor Company"** means Shri JB Pharma Private Limited *(Formerly known as Shri JB Pharma LLP)*, a Company incorporated under the Companies Act, 2013, having Corporate Identity Number: U21001MH2023PTC402579.

4.23. **"Stock Exchanges"** means the stock exchanges where the equity shares of the Transferee Company are listed and admitted to trading viz. BSE Limited and National Stock Exchange of India Limited.

4.24. **"Transferor Companies"** means MLPL and SJPPL collectively;

4.25. **"Undertaking"** shall mean all the undertakings and entire business of the Transferor Companies as a going concern and shall include (without limitation) to the extent applicable:

(a) All the assets and properties, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but not limited to land and building (freehold or leasehold), all plant and machinery, fixed assets, work in progress, current assets, reserves, provisions, funds, leases, licenses, registrations, certificates, permissions, consents, approvals from state, central, municipal or any other authority for the time being in force, concessions, remissions, remedies, subsidies, guarantees, bonds, rights and licenses, tenancy rights, premises, hire purchase, lending arrangements, benefits of security arrangements, security contracts, computers, insurance policies, office equipment, telephones, telexes, facsimile connections, communication facilities, equipment and installations and utilities, electricity, water and other service connections, contracts and arrangements, memorandum of undertakings, technology/technical agreements, powers, authorities, permits, allotments, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, non-compete fee, benefit and advantage, deposits including security deposits, preliminary expenses, advances, receivables, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, incentives (including but not limited to package scheme of incentive and export subsidy benefits under exports promotion capital goods scheme), tax and other credits (including but not limited to credits in respect of income-tax, minimum alternate tax i.e. tax on book profits, tax deducted at source, tax collected at source, value added tax, central sales tax, sales tax, CENVAT, excise duty, service tax, goods and service tax etc.), all losses (including but not limited to brought forward tax losses, tax unabsorbed depreciation, brought forward book losses, unabsorbed depreciation as per books etc.), tax benefits and other claims and powers, all books of account, documents and records of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favor of or enjoyed by the Transferor Companies, as on the Appointed Date;

(b) All intellectual property rights including patents, designs, copyrights, trademarks, brands (whether registered or otherwise), domains, records, files, papers, computer programs, manuals, data, catalogues, sales material, lists of customers and suppliers, other customer information and all other records and documents relating to the Transferor Companies business activities and operations;

Right to any claim not preferred or made by the Transferor Companies in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Companies and any interest thereon, with regard to any law, act or rule or scheme made by the central or any state governments, and in respect

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of set-off, carry forward of unabsorbed losses and/or unabsorbed depreciation, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. under the Income-tax Act, 1961, or taxation laws of other countries, or any other or like benefits under the said statute(s) or under and in accordance with any law or statute, whether in India or anywhere outside India;

(d) All debts (secured and unsecured), liabilities including contingent liabilities, duties, leases of the Transferor Companies, export obligations and all other obligations of whatsoever kind, nature and description. Provided that, any reference in the security documents or arrangements entered into by the Transferor Companies and under which, the assets of each of the Transferor Companies stand offered as a security, for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to that Undertaking of the Transferor Companies only as are vested in Transferee Company by virtue of the Scheme and the Scheme shall not operate to enlarge security for any loan, deposit or facility created by the Transferor Companies which shall vest in Transferee Company by virtue of the Merger and Transferee Company shall not be obliged to create any further or additional security thereof after the Merger has become effective;

(e) All other obligations of whatsoever kind, including liabilities of the Transferor Companies with regard to their Employees with respect to the payment of gratuity, pension benefits and the provident fund or compensation, if any, in the event of resignation, death, voluntary retirement or retrenchment;

(f) All legal proceedings, including quasi-judicial, arbitral and other administrative proceedings, of whatsoever nature involving the Transferor Companies; and

(g) All Employees, as on the Effective Date, engaged by the Transferor Companies at various locations.

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Company Secretary

Without limitation to the foregoing, it is intended that the definition of Undertaking under this clause will enable the transfer of all property, assets, rights, duties, obligations, entitlements, intellectual property rights, benefits, incentives, Employees and liabilities of the Transferor Companies into the Transferee Company pursuant to this Scheme.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as prescribed to them under the Act, the Income Tax Act, 1961, Depositories Act, 1996 and Securities and Exchange Board of India Act, 1992 or any other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

5. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Hon'ble NCLT, or made as per Clause 26 of this Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date. Therefore, for all tax and other regulatory purposes, the Merger would have been deemed to be effective from the Appointed Date of this Scheme.

6. SHARE CAPITAL

6.1. The authorized, issued, subscribed and paid-up share capital of the First Transferor Company as on 31st December, 2023 is as under:

Particulars	Amount (in ₹)
Authorised Share Capital	
10,000 Equity Shares of ₹ 100 each	10,00,000
TOTAL	**10,00,000**
Issued, Subscribed and Paid-up Share Capital	
3010 Equity Shares of ₹ 100 each	3,01,000
TOTAL	**3,01,000**

Subsequent to 31st December, 2023 and up to the date of approval of this Scheme by the Board of Directors of the First Transferor Company, there has been no change in the issued, subscribed and paid-up share capital of the First Transferor Company. Accordingly, the authorized, issued, subscribed and paid-up share capital of the First Transferor Company, as on the date of approval of this Scheme by the Board of Directors of the First Transferor Company, is same as above.

6.2. The authorized, issued, subscribed and paid-up share capital of the Second Transferor Company as on 31st December, 2023 is as under:

Particulars	Amount (in ₹)
Authorised Share Capital	
10,000 Equity Shares of ₹ 10 each	1,00,000
TOTAL	**1,00,000**
Issued, Subscribed and Paid-up Share Capital	
10,000 Equity Shares of ₹ 10 each	1,00,000
TOTAL	**1,00,000**

Subsequent to 31st December, 2023 and up to the date of approval of this Scheme by the Board of Directors of the Second Transferor Company, there has been no change in the issued, subscribed and paid-up share capital of the Second Transferor Company. Accordingly, the authorized, issued, subscribed and paid-up share capital of the Second Transferor Company, as on the date of approval of this Scheme by the Board of Directors of the Second Transferor Company, is same as above.

6.3. The authorized, issued, subscribed and paid-up share capital of the Transferee Company as on 31st December, 2023 is as under:

Particulars	Amount (in ₹)
Authorised Share Capital	
3,00,00,000 Equity Shares of ₹ 10 each	30,00,00,000
TOTAL	**30,00,00,000**
Issued, Subscribed and Paid-up Share Capital	
1,58,28,248 Equity Shares of ₹ 10 each	15,82,82,480
TOTAL	**15,82,82,480**

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Company Secretary

Subsequent to 31st December, 2023 and up to the date of approval of this Scheme by the Board of Directors of the Transferee Company, there has been no change in the issued, subscribed and paid-up share capital of the Transferee Company. Accordingly, the authorized, issued, subscribed and paid-up share capital of the Transferee Company, as on the date of approval of this Scheme by the Board of Directors of the Transferee Company, is same as above.

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MANGALAM LABORATORIES PVT. LTD. MUMBAI

SHRI JB SHAH PVT. LTD. MUMBAI

PART B

MERGER BY ABSORPTION OF MLPL, SJPPL WITH MDOL

7. AMALGAMATION

Upon this Scheme becoming effective and with effect from the Appointed Date, the Transferor Companies shall stand amalgamated with and into the Transferee Company, and its Undertaking shall, pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act and in accordance with Section 2 (1B) of the Income Tax Act, 1961, be and stand amalgamated with and be transferred to and vested in or deemed to have been vested in the Transferee Company, as a going concern, without any further act, instrument, deed, matter or thing so as to become as and from the Appointed Date, the Undertaking of the Transferee Company, by virtue of and in the manner provided in this Scheme.

8. TRANSFER AND VESTING OF UNDERTAKING

Without prejudice to the generality of Clause 7 above, subject to the provisions of this Scheme as specified herein and with effect from the Appointed Date, the entire Undertaking of the Transferor Companies shall be transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company in the following manner:

8.1. All assets and liabilities of the Undertaking of whatsoever nature and whosesoever situated, shall, pursuant to the provisions of Section 230 read with Section 232 and all other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing (save as provided in sub-clauses 8.2 to 8.15 below), be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the assets and liabilities of the Undertaking of the Transferee Companies and to vest in the Transferee Company, all the rights, title, interest or obligations therein.

Provided that for the purpose of giving effect to the vesting order passed by the Hon'ble NCLT under Section 232 of the Act in respect of this Scheme, the Transferee Company shall be entitled to get effected the change in the title and the appurtenant legal right(s) upon the vesting of such properties(all the assets and properties, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but not limited to land and building whether freehold or leasehold) in accordance with the provisions of the Act, at the office of the respective Registrar of Assurances or any other Appropriate Authority including stamp authorities, in the jurisdiction where any such property is situated. The Transferee Company shall be entitled to engage in such correspondence, execute such documents and agreements and make such representations as may be necessary to effect the mutation, if required. However, such correspondence, document, and agreements entered into by the Transferee Company in furtherance of this Scheme for ease of completion of mutation shall be deemed to be an integral part of this Scheme and the order sanctioning the same and such correspondence, documents and agreements, shall not constitute a separate instrument.

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Company Secretary

8.2. All immovable properties of the Transferor Companies, including land(s) and/or together with buildings and structures standing thereon, estates and rights and interests in all immovable properties of the Transferor Companies, whether freehold or leasehold or otherwise and all documents of title, rights and easements, including pending mutation(s) in relation thereto, shall stand vested in and/or deemed to have been vested in the Transferee Company, as successor in interest and/or title to the Transferor Companies, by operation of law pursuant to the order(s) of the Hon'ble NCLT sanctioning this Scheme. Such assets shall stand vested in the Transferee

Company and shall be deemed to be and have become the property of the Transferee Company by operation of law. The Transferee Company shall always be entitled to all the rights and privileges attached in relation to such immovable properties and shall be liable to pay appropriate rent, rates and taxes and fulfil all obligations in relation thereto or as applicable to such immovable property. The mutation of the ownership or title, or interest in the Immovable properties, if any, in favour of the Transferee Company shall be made and duly recorded by the Appropriate Authorities pursuant to the sanction of this Scheme post the Effective Date in accordance with the terms thereof. The Transferee Company shall, pursuant to the order(s) of the Hon'ble NCLT, be entitled to the delivery and possession of all documents of title to such immovable property. It is hereby clarified that all the rights, title and interest of the Transferor Companies in any leasehold properties shall, pursuant to Section 232(4) of the Act and the provisions of this Scheme, without any further act, instrument or deed, be vested in or deemed to have been vested in the Transferee Company.

8.3. All the movable assets including cash in hand, if any, capable of passing by manual delivery or constructive delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, to the Transferee Company, to the end and intent that the ownership and property therein stands transferred to the Transferee Company on such handing over in pursuance of the provisions of Section 232 and other applicable provisions of the Act (as an integral part of the Undertaking). The plant and machinery (if any), which are fastened to land and/or buildings continue to remain movable properties *inter alia* because the said plant and machinery are fastened to land only with a view to have better enjoyment of the movable properties.

8.4. In respect of all movables, other than those specified in sub-clause 8.3 above including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, local and other authorities and bodies, customers and other persons, the same shall, without any further act, instrument or deed, be transferred to and stand vested in and/or be deemed to be transferred to and stand vested in the Transferee Company under the provisions of the Act, upon the Scheme becoming effective.

8.5. In relation to the assets, properties and rights including tenancy rights, rights arising from contracts, deeds, instruments and agreements, if any, which require, under any law or otherwise, separate documents of transfer including documents for attornment or endorsement, as the case may be, the Transferee Company will execute the necessary documents of transfer including documents for attornment or endorsement, as the case may be, as and when required or will enter into a novation agreement.

8.6. Upon the coming into effect of this Scheme and with effect from the Appointed Date, all liabilities including but not limited to all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations forming part of the Undertaking of the Transferor Companies or otherwise, all other obligations (including any guarantees, letter of credit or any other instrument or arrangement which may give rise to a contingent liability in whatever form) whether relating to and comprised in any of the Undertaking or otherwise, of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations, shall, pursuant to the sanction of this Scheme by the Hon'ble NCLT and under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, along with any charge, Encumbrance, lien or security thereon, and the same shall be assumed by the Transferee Company to the extent they are outstanding on the Effective Date so as to become the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Companies, and the

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Company Secretary

Transferee Company shall meet, discharge and satisfy the same in accordance with the terms thereof. Where any of the liabilities of the Transferor Companies as on the Appointed Date deemed to be transferred to the Transferee Company, have been discharged by the Transferor Companies after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of and for the benefit of the Transferee Company. Further, it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause.

8.7. With effect from the Appointed Date, all debts, liabilities (including deferred tax liability), duties, guarantees, indemnities and obligations of every kind, nature, description, whether or not provided for in the books of account of the Transferor Companies, under the provisions of Sections 230 to 232 and other applicable provisions of the Act, without any further act, instrument, deed, matter or thing, be transferred to or be deemed to be transferred to the Transferee Company on the same terms and conditions, as applicable, so as to become as on and from the Appointed Date, the debts, liabilities, duties, guarantees, indemnities and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties, guarantees, indemnities and obligations have arisen, in order to give effect to the provisions of this sub-clause.

However, the Transferee Company may, at any time, after the coming into effect of this Scheme in accordance hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of the creditors, or lenders, as the case may be, or in favour of any other party to the contract or arrangement to which the Transferor Companies are party or any writing, as may be necessary, in order to give formal effect to the provisions mentioned herein. The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor Companies as well as to implement and carry out all such formalities and compliances referred to above.

8.8. The transfer and vesting of the Undertaking of the Transferor Companies as aforesaid shall be subject to the existing securities, charges and mortgages, if any, subsisting, over or in respect of the property and assets or any part thereof of the Transferor Companies.

Provided, however, that any reference in any security documents or arrangements (to which Transferor Companies are party) pertaining to the assets of Transferor Companies offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to such assets, as are offered or agreed to be offered as security, pertaining to Transferor Companies as are vested in the Transferee Company by virtue of the aforesaid Clauses, to the end and intent that such security, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of the Transferor Companies or any of the assets of the Transferee Company. Similarly, the Transferee Company shall not be required to create any additional security over assets vested under this Scheme for any loans, debentures, deposits or other financial assistance already availed of/to be availed of by it, and the Encumbrances in respect of such indebtedness of the Transferee Company shall not extend or be deemed to extend or apply to the assets so vested.

8.9. With effect from the Appointed Date, all permits, quotas, rights, entitlements, tenancies, applications, registrations and licenses relating to brands, trademarks, patents, copyrights, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Undertaking of the Transferor Companies and which are subsisting or having effect immediately before the Appointed Date, shall be and remain in full force and effect in favour of the Transferee Company and may be enforced fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a beneficiary or obligee thereto.

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For Mangalam Drug & Organics Ltd.
Company Secretary

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MANGALAM LABORATORIES PVT. LTD. MUMBAI

SHRI JI PHARMA PVT. LTD.

8.10. With effect from the Appointed Date, any statutory licenses, permissions, clearances, approvals and / or consents held by the Transferor Companies and any application made thereof, shall stand vested in, or transferred to, the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities or any other person concerned therewith in favour of the Transferee Company. The benefit of all statutory and regulatory permissions, clearances, licenses, environmental approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of the Transferor Companies shall vest in, and become available to, the Transferee Company upon the Scheme becoming effective.

8.11. All registrations, benefits, incentives, entitlements, exemptions, subsidies (including but not limited to package scheme of incentive and export subsidy benefits under exports promotion capital goods scheme), special status and other benefits or privileges enjoyed (including minimum alternate tax, sales tax, excise duty, custom duty, service tax, value added tax, goods and service tax and other incentives), granted by any government(s) or by any other person and availed of by the Transferor Companies (collectively, the "**Benefits**") will be transferred to the Transferee Company, on the same terms and conditions as presently available to the Transferor Companies, upon the Transferee Company intimating the concerned authority or undertaking the necessary actions for the transfer and/or the Board of Directors of the Transferee Company will be authorized to seek approval or enter into an agreement with the concerned authority and/or undertake such other activity as is necessary for being eligible for the Benefits availed by the Transferor Companies.

8.12. From the Effective Date and till such time that the names of the bank accounts of the Transferor Companies including but not limited to balances with scheduled banks in current accounts and in deposit accounts are replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Companies, in its name, in so far as may be necessary.

8.13. All legal proceedings of whatsoever nature by or against the Transferor Companies pending and/or arising at the Appointed Date shall be continued and/or enforced until the Effective Date by the Transferor Companies. In the event of the Transferor Companies failing to continue or enforce any legal proceeding, the same may be continued or enforced by the Transferee Company, at the cost of the Transferee Company. As and from the Effective Date, the legal proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Companies.

(a) Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the Merger or anything contained in the Scheme.

(b) On and from the Effective Date, the Transferee Company may initiate any legal proceedings in relation to the Transferor Companies in the same manner and to the same extent as would or might have been initiated by the Transferor Companies. On or after the Appointed Date, if any proceedings are taken against the Transferor Companies, the same shall be defended by and at the cost of the Transferee Company.

8.14. Without prejudice to the above provisions, with effect on and from the Appointed Date, all inter-party transactions between the Transferor Companies and the Transferee Company per se shall be considered as intra-party transactions of the Transferee Company for all purposes on and from the Appointed Date.

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8.15. The Transferee Company, under the provisions of this Scheme, is hereby authorized or be deemed to be authorized to execute all and any writings on behalf of the Transferor Companies, to implement and carry out all formalities and compliances in relation to the above-mentioned Clause(s), if required.

9. CONTRACTS, DEEDS, CONSENTS AND OTHER INSTRUMENTS

9.1. Upon the coming into effect of this Scheme and with effect from Appointed Date and subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements, arrangements, assurances and other instruments of whatsoever nature to which the Transferor Companies is a party or to the benefit of which the Transferor Companies may be eligible, and which is subsisting or having effect immediately before the Effective Date shall be in full force and effect on or against or in favour, as the case may be, of Transferee Company and shall be binding on and may be enforced as fully and effectually as if instead of the Transferor Companies, the Transferee Company had been the party thereof.

9.2. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, if so required under any law or otherwise, enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novation's, to which the Transferor Companies shall, if necessary, also be party in order to give formal effect to the provisions of this Scheme. Further, the Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Companies and to implement or carry out all formalities required on the part of the Transferor Companies to give effect to the provisions of this Scheme.

9.3. Benefits of any and all corporate approvals as may have already been taken by the Transferor Companies, whether being in the nature of compliances or otherwise under the Act read with the rules and regulations made thereunder, shall stand vested in the Transferee Company and the said corporate approvals and compliances shall be deemed to have been taken/complied with by the Transferee Company.

9.4. The Transferee Company shall be entitled to the benefit of all insurance policies which have been issued in respect of the Transferor Companies and the name of the Transferee Company shall be substituted as "Insured" in the policies as if the Transferee Company was initially a party thereto.

10. LEGAL PROCEEDINGS

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10.1. All legal proceedings of whatsoever nature by or against the Transferor Companies pending and / or arising on or after the Appointed Date and relating to the Transferor Companies shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against the Transferee Company in the manner and to the same extent as would or might have been continued and enforced by or against the Transferor Companies if this Scheme had not been made.

10.2. The Transferee Company undertakes to make relevant applications to have all legal or other proceedings initiated by or against the Transferor Companies referred to in Clause 10.1 above transferred in its name respectively, as soon as is reasonably possible after the Effective Date. The Transferee Company shall have the same continued, prosecuted and enforced by or against

the Transferee Company, as the successor of the Transferor Companies, to the same extent as would or might have been continued and enforced by or against the Transferor Companies.

11. STAFF & EMPLOYEES

11.1. Upon this Scheme becoming effective, all Employees of the Transferor Companies shall be deemed to have become employees of the Transferee Company with effect from the Appointed Date, without any break, discontinuance or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company shall not be less favourable than those applicable to them with reference to the Transferor Companies on the Effective Date. For the purpose of payment of any compensation, gratuity and other terminal benefits, the uninterrupted past services of such Employees of the Transferor Companies with the Transferor Companies shall also be taken into account and paid (as and when payable) by the Transferee Companies.

11.2. It is expressly provided that, on the Effective Date, the provident fund, gratuity or leave balances or any other special fund or trusts created or existing for the benefit of the Employees of the Transferor Companies shall be transferred to and shall get consolidated with the corresponding funds of the Transferee Company subject to complying with all regulatory / legal requirements / approvals under the applicable law. The Transferee Company shall have the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Companies in relation to such fund or funds shall become those of the Transferee Company. It is clarified that the services of the Employees will be treated as having been continuous for the purpose of the said funds. From the date of acceptance of the Scheme by the respective Board of Directors of the Transferor Companies and the Transferee Company, the Transferor Companies shall not vary the terms and conditions of employment of its Employees except in the ordinary course of business. Notwithstanding the above, the Board of Directors of the Transferee Company, if it deems fit and subject to applicable laws, shall be entitled to retain separate trusts within the Transferee Company for the erstwhile fund(s) of the Transferor Companies.

12. CONSIDERATION

12.1. Upon the Scheme becoming effective and in consideration of the Merger, including the transfer and vesting of the Undertaking in the Transferee Company, the Transferee Company shall without any further application or deed, issue and allot equity shares of the Transferee Company at face value, credited as fully paid up, to the extent indicated below, to the Eligible Members or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferor Companies / the Transferee Company in the following manner (the "**Share Exchange Ratio**"):

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a) **Between First Transferor Company and Transferee Company:**

As the First Transferor Company is wholly-owned subsidiary of the Transferee Company, no consideration shall be payable pursuant to the Merger by Absorption of the First Transferor Company with the Transferee Company, and the equity shares held by the Transferee Company in the Transferor Company shall stand cancelled without any further act, application or deed.

b) **Between Second Transferor Company and Transferee Company:**

The Transferee Company shall without any further act or deed, issue and allot 265 Equity Shares of Rs. 10/- each to the Eligible Members of Second Transferor Company for every

1 (One) Equity Share of Face Value of Rs. 10/- each held by Eligible Members of Second Transferor Company.

12.2. In the event of any increase in the issued, subscribed or paid up share capital of the Transferor Companies or the Transferee Company or issuance of any instruments convertible into equity shares or restructuring of their respective equity share capital including by way of share split / consolidation / issue of bonus shares, free distribution of shares or instruments convertible into equity shares or other similar action in relation to the share capital of the Transferor Companies or the Transferee Company at any time before the Record Date, the Share Exchange Ratio shall not be adjusted to take into account the effect of such issuance or corporate actions and assuming conversion of any such issued instruments convertible into Equity Shares.

12.3. The equity shares of the Transferee Company issued and allotted to the Eligible Members of Second Transferor Company pursuant to this Scheme shall be hereinafter referred to as **"New Equity Shares"**.

12.4. The New Equity Shares to be issued to the Eligible Members of Second Transferor Company as above shall be subject to the Memorandum and Articles of Association of the Transferee Company. Further, the New Equity Shares issued shall rank *pari passu* with the existing equity shares of the Transferee Company in all respects including dividends, if any, that may be declared by the Transferee Company on or after the Scheme becoming effective, as the case may be.

12.5. The issue and allotment of the New Equity Shares to the Eligible Members of Second Transferor Company as provided in Clause 12.1 of this Scheme, is an integral part of the Scheme thereof, and shall be deemed to be have carried out without requiring any further act on the part of the Transferee Company or its members as if the procedure laid down under Sections 62 or 42 of the Act and any other applicable provisions of the Act, were duly complied with. It is clarified that no special resolution(s) under Sections 62 or 42 of the Act shall be required to be passed by the Transferee Company separately in a general meeting for issue of the New Equity Shares to the Eligible Members of Second Transferor Company under this Scheme and for the members of the Transferee Company approving this Scheme, it shall be deemed that they have given their consent to the issue of the New Equity Shares to the Eligible Members of Second Transferor Company in terms of and in accordance with this Scheme. Upon this Scheme becoming effective and upon issuance of the New Equity Shares to the Eligible Members of Second Transferor Company, the equity shares of the Second Transferor Company shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date.

12.6. The New Equity Shares to be issued and allotted by the Transferee Company to the Eligible Members of Second Transferor Company shall be issued in dematerialized form.

12.7. Any fraction arising out of allotment of equity shares as per clause 12.1 ("New Equity Shares") above shall be rounded off to the nearest integer.

12.8. Notwithstanding anything contained in clause 12.1, the issue of New Equity Shares shall be made in compliance with the provisions of the minimum public shareholding prescribed under Securities Contracts (Regulation) Act, 1956 and Securities Contracts Regulation) Rules, 1957 made thereunder (hereinafter collectively referred to as "SCRA") such that for any entitlement to new equity shares to the promoters of Transferor Companies is not beyond the maximum permissible promoter group shareholding of 75% (Seventy Five Percentage) or any other specified percentage as may be permissible under SCRA. The issuance of Shares and Shareholding of promoters shall be at all times in consonance with minimum public shareholding requirements prescribed under SCRA

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12.9. The Equity Shares of Transferor Companies which are held in abeyance under the Act or otherwise pending for allotment or settlement of dispute by order of court or otherwise, the New Equity shares shall also be kept in abeyance by the Transferee Company.

13. LISTING OF NEW EQUITY SHARES OF THE TRANSFEREE COMPANY

13.1. The New Equity Shares to be issued and allotted in terms of Clause 12.1 above, shall, in compliance with the requirement of applicable regulations, be listed and/or admitted to trading on the Stock Exchanges where the existing equity shares of the Transferee Company are listed. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with applicable laws or regulations for complying with the formalities of the Stock Exchanges. On such formalities being fulfilled, the Stock Exchanges shall list and/or admit the New Equity Shares for the purpose of trading.

13.2. The Transferee Company shall, if and to the extent required, apply for and obtain any approvals from the concerned regulatory authorities for the issue and allotment by the Transferee Company of the New Equity Shares to the Eligible Members of Second Transferor Company under the Scheme and listing thereof.

14. CANCELLATION / REDUCTION OF SHARE CAPITAL OF TRANSFEREE COMPANY:

14.1. Second Transferor Company legally and beneficially owns 26,50,000 Equity Shares of Rs. 10/- each of Transferee Company thereby aggregating to 16.74 % of the total issued, subscribed and paid-up equity share capital of Transferee Company. Upon this Scheme becoming effective, all the equity shares of Transferee Company held by Second Transferor Company being, 26,50,000 Equity Shares of Rs. 10/- each of Transferee Company, shall stand cancelled and extinguished on and from the Effective Date as an integral part of the Scheme and accordingly, the Shares in DEMAT Form in respect of the aforesaid equity share in Transferee Company held by Second Transferor Company shall also stand cancelled and shall be deemed to be cancelled without any further act or deed.

14.2. Upon scheme becoming effective, the investment in the Transferee Company as appearing in the books of Second Transferor Company shall stand cancelled as referred to in clause 16.7.

14.3. The cancellation and reduction of the Share Capital shall be effected as an integral part of the scheme itself and the order of National Company Law Tribunal sanctioning the scheme shall deemed to be an order under provisions of Section 66 of Companies Act 2013 for confirming the reduction and no separate procedure shall be followed under the act. The reduction would not involve either a diminution of liability in the respect of the unpaid share capital or payment to any of the paid up share capital. The Transferee Company will be exempted from adding the words "and reduced" to its name as the last words under section 66 of the Companies Act 2013.

15. REORGANISATION AND COMBINATION OF AUTHORISED SHARE CAPITAL AND AMENDMENT OF MEMORANDUM OF ASSOCIATION

15.1. Upon this Scheme becoming effective, and as an integral part of the Scheme, pursuant to section 61 and other applicable Section of the Act.

A. The authorized Equity Share Capital of the First Transferor Company of Rs. 10,00,000/- (Rupees Ten Lakhs only) comprising of 10,000 (Ten Thousand) Equity Shares of Rs 100/- each (Rupees Hundred only) shall be sub-divided into 1,00,000/- (One Lac) Equity shares of Rs. 10 each amounting to Rs. 10,00,000/- (Rupees Ten Lakhs only) and the consent of the shareholders of the Transferor and Transferee Company to the Scheme, whether at a meeting or otherwise, shall be deemed to be sufficient for the purposes of effecting this amendment, and no further

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resolution(s) under Sections 13, 14, 61 of the Companies Act 2013 and section 232 of the Companies Act 2013 and other applicable provisions of the Act would be required to be separately passed, as the case may be and for this purpose.

15.2. Upon this Scheme becoming effective, the authorized share capital of the Transferee Company shall automatically stand increased and modified, without any further act, instrument or deed on the part of the Transferee Company including without payment of stamp duty and fees payable to Registrar of Companies, by the authorized share capital of the Transferor Companies as appearing as on the date of certified or authenticated copies of the orders of the Hon'ble NCLT sanctioning this Scheme being filed with the jurisdictional Registrar of Companies. The Memorandum of Association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders of the Transferee Company to the Scheme, whether at a meeting or otherwise, shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 13, 14, 61, of the Act and other applicable provisions of the Act would be required to be separately passed, as the case may be and for this purpose the stamp duties and fees paid on the authorized share capital of the Transferor Companies shall be utilized and applied to the increased authorized share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee by the Transferee Company for increase in the authorized share capital to that extent.

Upon scheme becoming effective, the Authorised Share Capital of the Transferee Company will be as under:

Particulars	Amount in Rs.
Authorised Share Capital	
3,01,10,000 Equity shares of Rs 10/- each	30,11,00,000
Total	**30,11,00,000**

15.3. It is clarified that the approval of the members of the Transferee Company to the Scheme, whether at a meeting or otherwise, pursuant to Sections 230 to 232 and other applicable provisions of the Act, shall be deemed to be their consent/approval also to the amendment of the Memorandum of Association of the Transferee Company as may be required under the Act and Clause V of the Memorandum of Association of the Transferee Company shall stand substituted accordingly by the virtue of the approval of this Scheme to read as follows:

Clause V of the Memorandum of Association of the Transferee Company:

The Authorized Share Capital of the Company is Rs. 30,11,00,000/- (Rupees Thirty Crores and Eleven Lakhs Only) divided into 3,01,10,000 (Three Crores One Lac and Ten Thousand) Equity shares of Rs 10/- each with a power to Board to increase or reduce the capital of the Company and / or nominal value of shares and to divide the shares in the Capital for time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges, conditions, restrictions with or without voting rights as may be determined by or in accordance with Articles of Association of the Company or as the case may be decided by Board of Directors of the Company in the General Meeting as applicable in conformity with the provisions of the Act and to vary, modify or abrogate any such rights, privileges or conditions or restrictions and to consolidate in such manner as may be provided by the Articles of Association of the Company or the legislative provisions for time being in force.

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15.4. For the avoidance of doubt, it is clarified that, in case the authorized share capital of the Transferee Company and, or the Transferor Companies as the case may be undergone any

change, prior to this scheme becoming effective, then this clause 15 shall automatically stand modified / adjusted accordingly to take into account the effect of such change.

16. ACCOUNTING TREATMENT

The Transferee company shall account for the amalgamation of the Transferor Companies in accordance with "Pooling of Interest Method" of accounting as laid down in Appendix C of Ind AS-103 (Business Combinations of entities under common control) notified under Section 133 of the Companies Act, 2013, under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time, in its books of accounts such that:

16.1. The Transferee Company shall, upon the scheme coming into effect record the assets and liabilities, if any, of the Transferor Companies vested in it pursuant to this Scheme, at the carrying values as appearing in the Consolidated Financial Statements of Transferee Company.

16.2. The identity of the reserves shall be preserved and the Transferee Company shall record the reserves of the Transferor Companies, in the same form and at the carrying amount as appearing in the consolidated financial statements of Transferee Company.

16.3. Pursuant to the merger of the Transferor Companies with the Transferee Company the inter company balances between Transferor Companies and Transferee Company, shall stand cancelled and there shall be no further obligation in that behalf.

16.4. The investments in the Financial Statements of the Transferee Company in the Equity Share Capital the First Transferor Company shall stand cancelled pursuant to merger and since First Transferor Company is a wholly owned subsidiary of the Transferee Company and thus pursuant to the Scheme no new shares shall be issued after the Scheme is sanctioned by the Hon'ble NCLT.

16.5. The Transferee Company shall credit to its Share Capital Account, the aggregate face value of the equity Shares issued by it pursuant to this Scheme

16.6. The surplus/deficit, if any arising after taking the effect of clause 16.1, 16.2, 16.4 and 16.5, after giving the effect of the adjustments referred to in clause 16.3, shall be transferred to "Capital Reserve"/ Amalgamation adjustment reserve" or any other reserves, as specified under the standard in the financial statements of the Transferee Company and shall be presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

16.7. The investments held in the Transferee Company by Second Transferor Company shall be adjusted against the respective Equity Share Capital of the Transferee Company to the extent of face value of the shares held by Second Transferor Company into Transferee Company.

16.8. In case of any differences in accounting policies between the Transferor Companies and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies.

16.9. Comparative financial information in the financial statements of the Transferee Company shall be restated for the accounting impact of merger, as stated above, as if the merger had occurred from the beginning of the comparative period. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

16.10. For accounting purpose, the Scheme will be given effect from the date when all substantial conditions for the transfer of business are completed.

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16.11. Any matter not dealt with in this Scheme or hereinabove shall be dealt with in accordance with the applicable Accounting Standards prescribed.

17. CONDUCT OF BUSINESS UNTIL THE SCHEME BECOMES EFFECTIVE

17.1 With effect from the Appointed Date and up to and including the Effective Date, Transferor Companies shall carry on and be deemed to have been carrying on its business and activities and shall stand possessed of and hold all of the business for and on account of and for the benefit of and in trust for Transferee Company. Further, all the profits or income accruing or arising to Transferor Companies or expenditure or losses arising to or incurred by Transferor Companies, with effect from the said Appointed Date shall for all purposes and intents be treated and be deemed to be and accrue as the profits or income or expenditure or losses of Transferee Companies, as the case may be.

17.2 With effect from the date of approval of this Scheme by the Board of Directors of Transferee Company up to and including the Effective Date:

(a) The Transferor Companies shall (i) carry on and be deemed to have carried on its businesses and activities; and (ii) be deemed to have held and stood possessed of and shall hold and stand possessed of its entire businesses and undertakings, including its assets for and on account of and in trust for the Transferee Companies.

(b) The Transferor Companies shall carry on its businesses and activities in the ordinary course of business with reasonable diligence and business prudence and shall not make borrowings or undertake financial commitments either for itself or on behalf of group companies or any third party or sell, transfer, alienate, mortgage, charge, or encumber or otherwise deal with or dispose of its assets, business or undertaking or any part thereof, save and except in the ordinary course of business or with the prior written consent of the Transferee Company.

(c) The Transferee Company shall be entitled to apply to the Central Government and any other government or statutory authorities/ agencies/body concerned as are necessary under any law for such consents, approvals, licenses, registrations and sanctions which the Transferee Company may require to carry on the business of the Transferor Companies.

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(d) Any income, profits or other funds of the Transferor Companies will first be utilized to meet any current or expected liabilities of the Transferor Companies, including any tax liabilities or costs in relation to the amalgamation of the Transferor Companies with the Transferee Company, before they are utilized for other purposes.

(e) During the pendency of this Scheme, in the event the Transferor Companies distributes dividend (including interim dividend) or issues bonus shares or offers rights shares to its shareholders, the Transferee Company shall be entitled to receive such dividend and bonus shares, and subscribe and/or renounce to such rights shares offered by the Transferor Companies, to the extent of the shareholding of the Transferee Company in the Transferor Companies.

18. SAVING OF CONCLUDED TRANSACTIONS

The transfer of assets, properties and liabilities under this Scheme shall not affect any transaction or proceedings concluded by the Transferor Companies on and after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Companies in respect thereto as done and executed on behalf of

the Transferee Company.

19. DIVIDENDS

19.1 The Transferor Companies and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective members in respect of the accounting periods up to the Effective Date as approved by their respective Board of Directors.

19.1 The members of the Transferor Companies and the Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.

19.1 For the avoidance of doubt, it is hereby clarified that nothing in this Scheme shall prevent Transferee Company from declaring and paying dividends, whether interim or final, to its members as on the "record date for the purpose of dividend" and those who are members only of the Transferor Companies shall not be entitled to dividends, if any, declared by Transferee Company prior to the Effective Date.

19.1 It is clarified that the aforesaid provisions in or with respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Companies and / or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Board of Directors of the Transferor Companies and / or the Transferee Company respectively, and subject to the approval, if required, of the members of the Transferor Companies and / or the Transferee Company respectively.

20. INDEMNITY BY SHAREHOLDERS OF THE TRANSFEROR COMPANIES

The shareholders of the Transferor Companies shall indemnify and hold harmless the Transferee Company and its directors, officers, representatives, employees and agents (collectively the "**Indemnified Persons**") for losses, liabilities, costs, charges, expenses whether or not resulting from third party claims, including those paid or suffered pursuant to any actions, proceedings, claims and including interest and penalties discharged by the Indemnified Persons, which may devolve on the Indemnified Persons on account of amalgamation of the Transferor Companies into the Transferee Company but would not have been payable by such Indemnified Persons otherwise, in the form and manner as may be agreed amongst the Transferee Company and shareholders of the Transferor Companies.

21. DISSOLUTION OF THE TRANSFEROR COMPANIES

Upon filing of the certified copies of order of the Hon'ble NCLT sanctioning the Scheme by the Transferor Companies and the Transferee Company with the jurisdictional Registrar of the Companies, the Transferor Companies shall stand dissolved without being wound-up.

22. BOOKS AND RECORDS OF THE TRANSFEROR COMPANIES

All books, records, files, papers, databases, catalogues, if any, lists of present and former clients and all other books and records, whether in physical or electronic form, of the Transferor Companies, to the extent possible and permitted under applicable laws, be handed over by the Transferor Companies to the Transferee Company.

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Company Secretary

PART C

GENERAL TERMS AND CONDITIONS

23. COMPLIANCE WITH LAW

23.1 This Scheme is in compliance with the provisions/requirements of Sections 230 to 232 of the Act, for the purpose of Merger of the Transferor Companies into the Transferee Company and other related arrangements and compromise, including reorganization of shareholding, etc., amongst the Transferor Companies, the Transferee Company and / or their respective shareholders.

23.1 Upon the Scheme becoming effective, the Transferor Companies and the Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income tax Act, 1961 (including but not limited to, for the purpose of re-computing tax on book profits, and claiming other tax benefits), Wealth-tax Act, 1957, goods & services tax laws, central sales tax law, applicable state value added tax law, service tax laws, excise duty laws, custom duty laws (including but not limited to Package Scheme of Incentive and export subsidy benefits under exports promotion capital goods scheme), VAT law and other tax laws, and to claim refunds and/or credits for taxes paid (including minimum alternate tax, tax deducted at source, etc.), and to claim tax benefits (including but not limited to accumulated tax losses, unabsorbed deprecation etc.) etc. and for matters incidental thereto, if required to give effect to the provisions of the Scheme from the Appointed Date, notwithstanding that the period for filing/revising such returns and claiming refunds/credits may have lapsed without incurring any liability on account of interest, penalty or any other sum.

24. CONSEQUENTIAL MATTERS RELATING TO TAX

24.1. This Scheme is in compliance with the conditions relating to 'amalgamation' as specified under Section 2 (1B), Section 72A and other relevant sections of the Income-tax Act, 1961 and accordingly regarded as tax neutral. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any retrospective amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the Income-tax Act, 1961 shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with Section 2(1B), Section 72A and other relevant sections of the Income-tax Act, 1961.

24.2. On or after the Effective Date, the Transferor Companies and the Transferee Company are expressly permitted to revise their financial statements and returns along with prescribed forms, filings and annexure under the Income tax Act, 1961, (including for the purpose of re-computing tax on book profits and claiming other tax benefits), service tax law, goods and service tax law and other tax laws, and to claim refunds and/or credits for taxes paid, and to claim tax benefits, etc., and for matters incidental thereto, if required to give effect to the provisions of the Scheme from the Appointed Date.

24.3. All tax assessment proceedings/appeals of whatsoever nature by or against the Transferor Companies pending and/or arising at the Appointed Date and relating to the Transferor Companies shall be continued and / or enforced until the Effective Date as desired by the Transferor Companies. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Companies.

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Company Secretary

24.4. Further, all tax proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the Merger of the Transferor Companies into the Transferee Company or anything contained in the Scheme.

24.5. Any tax liabilities under the Income-tax Act, 1961, Wealth-tax Act, 1957, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, custom duty laws, goods & services tax, or other applicable laws/regulations dealing with taxes, duties, levies

allocable or related to the business of the Transferor Companies to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred or stand transferred to Transferee Company. Any surplus in the provision for taxation / duties / levies account including advance tax and tax deducted at source as on the date immediately preceding the Appointed Date will also be transferred to the account of the Transferee Company.

24.6. Any surplus in the provision for taxation / duties / levies account including advance tax, self-assessment tax, taxes deducted at source, foreign tax credit, tax on regular assessment, input tax credit, GST, IGST, CGST, VAT, service tax, MAT credit, deferred tax asset / liability as on the date immediately preceding the Appointed Date will also be transferred to the account of Transferee Company.

24.7. Any refund under the Income-tax Act, 1961, Wealth-tax Act, 1957, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, custom duty laws, goods & services tax, or other applicable laws/regulations dealing with taxes / duties / levies allocable or related to the business and available on various electronic forms (including Form 26AS) / registration of the Transferor Companies due to Transferor Companies consequent to the assessment made on Transferor Companies and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received (on various electronic forms (including Form 26AS) / registration) by the Transferee Company.

24.8. All taxes / credits including income-tax, tax on book profits, credit on Minimum Alternate Tax under Section 115JAA of the Income Tax Act, 1961, sales tax, excise duty, custom duty, service tax, value added tax, goods & services tax etc. paid or payable by the Transferor Companies in respect of the operations and/or the profits of the business before the Appointed Date, shall be on account of the Transferor Companies and, in so far as it relates to the tax payment (including, without limitation, income-tax, tax on book profits, sales tax, excise duty, custom duty, service tax, value added tax, goods & services tax etc.) whether by way of deduction at source, advance tax, MAT credit or otherwise howsoever, by the Transferor Companies in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Further, any tax deducted at source by the Transferor Companies / Transferee Company on payables to the Transferee Company / Transferor Companies respectively which has been deemed not to be accrued, shall be deemed to be advance taxes paid by the Transferee Company and shall, in all proceedings be dealt with accordingly.

24.9. Obligation for deduction of tax at source on any payment made by or to be made by the Transferor Companies under the Income-tax Act, 1961, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, custom duty laws, goods & services tax or other applicable laws / regulations dealing with taxes / duties / levies shall be made ondeemed to have been made and duly complied with by the Transferee Company.

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Company Secretary

24.10. Upon the Scheme becoming effective, the Transferee Company shall be entitled to claim refunds or credits, including Input Tax Credits, with respect to taxes paid by, for, or on behalf of, the Transferor Companies under applicable laws, including income tax, sales tax, custom duty laws, value added tax, service tax, goods & service tax, CENVAT or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed. For the avoidance of doubt, Input Tax Credits already availed of or utilised by the Transferor Companies and the Transferee Company in respect of inter se transactions shall not be adversely impacted by the cancellation of inter se transactions pursuant to this Scheme.

24.11. All compliances with respect to taxes or any other law between the respective Appointed Date and Effective Date done by the Transferor Companies shall, upon the approval of this Scheme, be

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SHRI JB PHARMA PVT. LTD. MUMBAI

deemed to have been complied by the Transferee Company. Without prejudice to the above, upon the Scheme becoming effective, the Transferee Company is also expressly permitted to revise or modify or make adjustments as permitted in the respective tax legislations, its income-tax returns, TDS returns, sales tax returns, excise & CENVAT returns, service tax returns, Goods and Service tax returns, other tax returns, notwithstanding that the period for filing / revising such returns may have lapsed and to obtain TDS certificates, including TDS certificates relating to transactions between or amongst the Transferor Companies and the Transferee Company, and to claim refunds, advance tax, Minimum Alternate Tax credits and withholding tax credits, benefits of carry forward of accumulated losses, etc., pursuant to the provisions of this Scheme.

24.12. In accordance with the goods and service tax laws and rules framed thereunder as are prevalent on the Effective Date, the unutilized credits relating to goods & services tax on inputs / capital goods / input services lying in the accounts of the Undertaking of the Transferor Companies shall be permitted to be transferred to the credit of the Transferee Company, (including in electronic form / registration), as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the goods & services tax payable by it.

24.13. Without prejudice to the generality of the above, all benefits, refunds, incentives, losses, credits (including, but without limitation to income tax, tax on book profits, tax deducted at source, wealth tax, service tax, excise duty, central sales tax, applicable state value added tax, goods & services tax etc.) to which the Transferor Companies is entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company, (including in electronic form / registration), upon this Scheme coming into effect from Appointed Date.

25. APPLICATION

The Transferor Companies and the Transferee Company shall make necessary applications before the Hon'ble NCLT for the sanction of this Scheme under Sections 230 to 232 of the Act and other applicable provisions of the Act, and for seeking orders for dispensing with or convening, holding and / or conducting of the meetings of respective shareholders and creditors and for sanctioning of this Scheme.

26. MODIFICATIONS, AMENDMENTS TO OR WITHDRAWAL OF THE SCHEME

26.1. The Transferor Companies and the Transferee Company, through approval by their Board of Directors may consent on behalf of all persons concerned, to any modifications or amendments of this Scheme or to any conditions which the NCLT and/or any other authorities under law may deem fit to approve of or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise in carrying out this Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting this Scheme into effect, including but not limited to withdrawal of the Scheme before the Scheme is approved by the NCLT.

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26.2. The term "any other authority" referred, shall specifically include the Stock Exchanges with which the shares of the Transferee Company are listed and with which the Transferee Company shall file a copy of the Scheme under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 or any other government authority.

26.3. The Transferor Companies and the Transferee Company (by their respective Board of Directors or committee(s) formed by Board of Directors or by any persons/key managerial personnel authorised by the Board of Directors) in their full and absolute discretion may withdraw this Scheme prior to the Scheme becoming effective at any time.

27. RATIFICATION OR VALIDITY OF EXISTING RESOLUTIONS

Upon the coming into effect of this Scheme, the resolutions of the Transferor Companies as are considered necessary by the Board of Directors / Audit Committee of the Transferee Company, which are valid and subsisting, be considered as resolutions of the Transferee Company. If any such resolutions have any monetary limits approved under the provisions of the Act or other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Directors / Audit Committee of the Transferee Company, shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall be constitute the aggregate of the said limits in the Transferee Company.

28. CONDITIONALITY OF THE SCHEME

This Scheme is conditional upon and subject to the following:

28.1. The Stock Exchanges having issued their observation/no-objection letters as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the circular dated March 10, 2017, bearing reference number CFD/DIL3/CIR/2017/21 issued by SEBI (**"SEBI Scheme Circular"**), as amended or replaced from time to time, on terms acceptable to the Transferor Company and the Transferee Company.

28.2. The Scheme being approved by the respective requisite majorities in number and value of such classes of persons including the respective members and / or creditors, if required, of the Transferor Companies and the Transferee Company, as required under the Act and SEBI Scheme Circular and as may be directed by the Hon'ble NCLT or any other Appropriate Authority, as may be applicable.

28.3. The Transferee Company complying with other provisions of the SEBI Scheme Circular, including seeking approval of its shareholders through postal ballot and e-voting. The Scheme shall be acted upon only if the votes cast through e-voting by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.

28.4. The requisite sanctions and approvals of Appropriate Authority, as may be required by law, in respect of the Scheme being obtained.

28.5. The sanction of this Scheme by the Hon'ble NCLT under Sections 230 to 232 of the Act, and other applicable provisions, if any of the Act in favour of the Transferor Companies and the Transferee Company.

28.6. Requisite form along with certified or authenticated copy of the order of the Hon'ble NCLT sanctioning the Scheme being filed with the Registrar of Companies, Mumbai by the Transferor Companies and the Transferee Company.

29. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS AND / OR REVOCATION OF THE SCHEME

29.1. In the event of necessary sanctions and approvals not being obtained and/or complied with and / or satisfied and / or this Scheme not being sanctioned by the Hon'ble NCLT and/or order or orders not being passed by such date as may be mutually agreed upon by the respective Board of Directors of the Transferor Companies and the Transferee Company, this Scheme shall stand revoked, cancelled and be of no effect.

29.2. In the event of revocation under Clause 29.1 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Transferor Companies and the Transferee Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or

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obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each Company shall bear its own costs unless otherwise mutually agreed.

29.3. The Board of Directors of the Transferor Companies and the Transferee Company shall be entitled to withdraw this Scheme any time prior to the Effective Date.

29.4. Further, the Board of Directors of the Transferor Companies and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme of no effect if the Board of Directors of the Transferor Companies and the Transferee Company are of view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the drawn-up orders with any authority could have an adverse implication(s) on the Transferor Companies or the Transferee Company.

29.5. If any part of this Scheme hereof is invalid, ruled illegal by any Hon'ble NCLT of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Transferor Companies and the Transferee Company that such part shall be severable from the remainder of the Scheme. Further, if the deletion of such part of this Scheme may cause this Scheme to become materially adverse to the Transferor Companies and / or the Transferee Company, then in such case the Transferor Companies and / or the Transferee Company shall attempt to bring about a modification in the Scheme, as will best preserve for the Transferor Companies and the Transferee Company the benefits and obligations of the Scheme, including but not limited to such part.

30. SEQUENCING OF EVENTS

Upon the sanction of this Scheme, and upon this Scheme becoming effective, the following shall be deemed to have occurred / shall occur and become effective and operative, only in the sequence and in the order mentioned hereunder:

(a) Amalgamation of Transferor Companies into and with Transferee Company in accordance with Part A and Part B of the Scheme.

(b) Cancellation and reduction of Paid-Up Share Capital of Transferee to the extent it is held by Second Transferor Company in accordance with Clause 14 of this Scheme.

(c) Transfer of the Authorized Share Capital of the Transferor Companies to the Transferee Company in accordance with Clause 15 of this Scheme and consequential increase in the authorized share capital of the Transferee Company.

(d) Dissolution of Transferor Companies without winding up in accordance with Clause 20 of this Scheme.

(e) Issue and allotment of the New Equity Shares of the Transferee Company to the Eligible Members.

31. REMOVAL OF DIFFICULTIES

The Transferor Companies and the Transferee Company may, through mutual consent and acting through the respective Board of Directors, agree to take steps, as may be necessary, desirable or proper, to resolve all doubts, difficulties or questions, whether by reason of any orders of the Hon'ble NCLT or any directives or orders of any governmental authorities or otherwise rising out of, under or by the virtue of this Scheme in relation to the arrangement contemplated in this Scheme and/or matters concerning or connected therewith.

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Company Secretary

32. COSTS, CHARGES AND EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by the Transferee Company.

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For Mangalam Drug & Organics Ltd.
Jayant Bardy
Company Secretary