



SUN PHARMACEUTICAL INDUSTRIES LIMITED

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

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	:	Friday
Date	:	22 nd August 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. 187 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 between Ranbaxy Laboratories Limited and Sun Pharmaceutical Industries Limited and their respective shareholders and creditors

Sun Pharmaceutical Industries Limited

[CIN L24230GJ1993PLC019050], a public limited company, incorporated under the provisions of the Companies Act, 1956 and having its registered office at SPARC, Tandalja, Vadodara- 390 020, in the State of Gujarat

Applicant Company

NOTICE OF CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS

To,

The Equity Shareholders of Sun Pharmaceutical Industries Limited ("the Applicant Company")

TAKE NOTICE that by an Order made on the 16th July 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 22nd August 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 between Ranbaxy Laboratories Limited, the Transferor Company and Sun Pharmaceutical Industries Limited the Applicant Company, for the proposed amalgamation to be made between Ranbaxy Laboratories Limited, Sun Pharmaceutical Industries Limited and their respective Shareholders.

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 Friday, 22nd August 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.

Dated this 22nd Day of July 2014

Mumbai

Sd/-

Dilip Shanghvi

Chairman appointed for the meeting

Registered Office:

SPARC, Tandalja,
Vadodara, Gujarat - 390020.

Note:

1. All alterations made in the form of proxy should be initialed.
2. 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.
3. A registered equity shareholder or his Proxy is requested to bring copy of the notice to the meeting and produce at the entrance of the meeting venue, the attendance slip duly completed and signed.
4. Registered equity shareholders who hold shares in dematerialised form are requested to bring their Client ID and DP ID for easy identification of the attendance at the meeting.
5. Registered equity shareholders are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the Register of Members of the Applicant Company in respect of such joint holding will be entitled to vote.



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EXPLANATORY STATEMENT UNDER SECTION 393(1) OF THE COMPANIES ACT, 1956 TO THE SCHEME OF ARRANGEMENT BETWEEN RANBAXY LABORATORIES LIMITED AND SUN PHARMACEUTICAL INDUSTRIES LIMITED

1. Pursuant to the Order dated 16th day of July 2014, passed by the Hon'ble High Court of Gujarat at Ahmedabad, in the Company Application No. 187 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 between Ranbaxy Laboratories Limited and Sun Pharmaceutical Industries Limited. Notice of the said meeting together with the copy of the Scheme of Arrangement is sent herewith. This statement explaining the terms of the Scheme of Arrangement is being furnished as required u/s 393 (1) (a) of the Companies Act, 1956.
- 2.1. 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 herein below. 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. Further, vide order dated 10th July 2014 by the Gujarat High Court, the Specified Undertaking of Sun Pharma Global, FZE was demerged and transferred to the Applicant 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 provisional audited Balance Sheet, the share capital of the Transferee Company as on 31st March, 2014 is as under:

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 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 Ranbaxy Laboratories Limited (RLL) was incorporated under the provisions of the Companies Act, 1956. The Transferor Company was originally constituted as a private limited company on June 16, 1961 under the name and style of Lepetit Ranbaxy Laboratories Private Limited as per the certificate of registration issued by the Registrar of Companies, Delhi. The Transferor Company became a deemed public limited company effective March 20, 1962 and then was converted into a public limited company effective August 24, 1966. The Transferor Company was again converted to a private limited company effective October 28, 1970 and subsequently converted on September 27, 1973 as a Public Limited Company under the Act under the name and style of Ranbaxy Laboratories Limited as per the certificate of registration issued by the Registrar of Companies, Delhi and Haryana.
- 3.2 The registered office of the Transferor Company is at A-41, Industrial Area Phase VIII-A, SAS Nagar, Mohali, Punjab-160 061, India. The registered office of the Transferor Company was changed from the State of Delhi to the State of Punjab on June 27, 1977.
- 3.3 The Share Capital of the Transferor Company as per the Audited Balance Sheet as on 31st March, 2014 is as under:

Authorised Share Capital:

(Amount in Rs.)

598,000,000 authorised equity shares of face value Rs. 5/- each	2,990,000,000
100,000 preference shares of face value Rs. 100/- each	10,000,000
Total	3,000,000,000

Issued, subscribed and paid up share capital:

(Amount in Rs.)

423,779,063 subscribed, fully-paid up equity shares of face value Rs. 5/- each.*	2,118,895,315
Total	2,118,895,315

* Includes 6,294,081 equity shares represented by the GDRs.

* The Transferor Company allotted 26,747 equity shares on April 14, 2014 and 207,529 equity shares on July 14, 2014 to employees of the Transferor Company who have exercised their vested options under ESOP II and ESOP 2005.

As on the date of this Application, except as set out above, there is no change in the share capital of the Transferor 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 Transferor Company is an integrated international pharmaceutical organization with businesses encompassing the entire value chain in the marketing, production and distribution of dosage forms and active pharmaceutical ingredients. Further, the Transferor Company along with its subsidiaries is also engaged in the business of consumer healthcare products. During the financial year ended on 31st March, 2014, the Transferee Company in its standalone capacity, had the total revenue of Rs. 2762.56 crores and the net profit after tax of Rs. 300.84 crores. The Company has Reserve and Surplus of Rs. 7882.60 crores. Thus, it is a profit making and dividend paying company with immense scope for future growth.
5. The Transferor Company viz. Ranbaxy Laboratories Limited is a listed company incorporated under the provisions of the Companies Act, 1956. The Transferor Company was formed with the main objects of manufacturing and marketing of pharmaceutical products. The Transferor Company is an integrated international pharmaceutical organization with businesses encompassing the entire value chain in the marketing, production and distribution of dosage forms and active pharmaceutical ingredients. Further, the Transferor Company along with its subsidiaries is also engaged in the business of consumer healthcare products. During the fifteen months period ended on 31st March, 2014, the Transferor Company in its standalone capacity, had the total revenue of Rs. 6864.94 crores and the net loss of Rs. 878.99 crores. The Company has Reserve and Surplus of Rs. 884.83 crores as on 31st March, 2014.

6. To consolidate and effectively manage the pharmaceutical and related businesses of the Transferor Company and the Transferee Company in a single entity which will provide synergy benefits, attain efficiencies and cost competitiveness, it is intended that the Transferor Company should amalgamate with Transferee Company. The amalgamation of Transferor Company with Transferee Company would inter alia have the following benefits:
- (a) The combination of Transferee Company and Transferor Company bring strengths that each company does not necessarily possess individually. The expanded global reach of the Transferee Company would be particularly beneficial for capitalizing on growth opportunities in both developed and emerging markets, including India.
 - (b) Both the Transferor Company and Transferee Company are in similar lines of business and intend to / can achieve larger product portfolio, economies of scale, efficiency, optimisation of logistic and distribution network and other related economies by consolidating the business operations being managed by different management teams. This Scheme of Arrangement intends to merge the operations of the Transferor Company with that of the Transferee Company to fulfil this objective.
 - (c) The Transferee Company will have the benefit of a diversified product portfolio, including complex products and first to file opportunities, across chronic and acute treatments.
 - (d) The Transferee Company will have the benefit of the combined resources of Transferor Company and Transferee Company. The Transferee Company would be in a position to carry on consolidated operations through optimum utilization of resources, avoidance of duplication and better financial strength.

6.1 In view of the aforesaid, the board of directors of the Transferor Company and the Transferee Company have considered and proposed the amalgamation for the transfer and vesting of the entire Undertaking and business of the Transferor Company with and into the Transferee Company and other matters herein, with an opinion that the amalgamation and other provisions of the Scheme would benefit the shareholders, employees and other stakeholders of the Transferor Company and the Transferee Company.

6.2 In furtherance of the aforesaid, this Scheme (as defined hereunder) provides for:

- (a) the amalgamation of the Transferor Company with the Transferee Company;
- (b) the consequent issue of shares and NCDs by the Transferee Company to the shareholders and holders of NCDs respectively and the treatment of GDRs of the Transferor Company; and
- (c) various other matters consequential or otherwise integrally connected herewith;

pursuant to Sections 391 to 394, Section 78 (including corresponding Section 52 and other relevant provisions of the Companies Act, 2013), Section 100 and other relevant provisions of the Act (as defined hereunder) in the manner provided for in this Scheme.

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

1.6 DEFINITIONS

- (a) **'Appointed Date'** means the 1st day of April, 2014 or such other date as may be agreed between the Transferor Company and the Transferee Company and approved by the High Court(s);
- (b) **'Effective Date'** means the last of the dates on which the conditions referred to in Section 18 of this Scheme have been fulfilled. All references in this Scheme to the date of **"coming into effect of this Scheme"** or **"effectiveness of this Scheme"** or **"Scheme taking effect"** shall mean the Effective Date;
- (c) **'Scheme' or 'Scheme of Arrangement'** means this Scheme of Arrangement in its present form or with any modifications, approved or imposed or directed by the Board of Directors of the Transferor and the Transferee Company or by the members or creditors and/or by the High Court(s) or any other relevant authority;
- (d) **'Undertaking'** shall mean the entire business and the whole of the undertakings of the Transferor Company as a going concern, all its assets, rights, licenses and powers, and all its debts, outstandings, liabilities, duties, obligations and employees as on the Appointed Date including, but not limited to, the following:

- (i) All the assets and properties (whether moveable or immoveable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent) of the Transferor Company, whether situated in India or abroad, including, but not limited to manufacturing facilities, laboratories, land (whether leasehold or freehold), processing plants, plant and machinery, computers, equipment, buildings and structures, offices, residential and other premises, diesel generator sets, stock-in-trade, packing material, raw materials, formulations, tablets, capsules, vials, ointments, active pharmaceutical ingredients and drugs intermediaries, capital work in progress, sundry debtors, furniture, fixtures, interiors, office equipment, vehicles, appliances, accessories, power lines, depots, deposits, all stocks, stocks of fuel, assets, investments of all kinds (including shares, scripts, subsidiaries, stocks, bonds, debenture stocks, units or pass through certificates) including shares or other securities held by the Transferor Company in its subsidiaries, cash balances or deposits with banks, cheques on hand, loans, advances, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by the Transferor Company, financial assets, leases (including but not limited to lease rights of the Transferor Company), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, bids, tenders, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, tenancies or license in relation to the office and /or residential properties (including for the employees or other persons), guest houses, godowns, warehouses, licenses, fixed and other assets, intangible assets (including but not limited to software), trade and service names and marks, patents, copyrights, designs and other intellectual property rights of any nature whatsoever, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including tax benefits), assets held by or relating to any Transferor Company employee benefit plan, export incentives accrued, derivative instruments, forward contracts, insurance claims receivable, tax holiday benefit, incentives, credits (including tax credits), minimum alternative tax credit entitlement tax losses, rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, in each case, whether in India or abroad.
- (ii) All agreements, rights, contracts, entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quotas, rights, engagements, arrangements, authorities, allotments, security arrangements, benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Transferor Company business activities and operations.
- (iii) All intellectual property rights, engineering and process information, software licenses (whether proprietary or otherwise), drawings, records, files, books, papers, computer programmes, manuals, data, catalogues, sales and advertising material, lists of present and former customers and suppliers, customer credit information, customer pricing information, other customer information and all other records and documents, whether in physical or electronic form, relating to the business activities and operations of the Transferor Company.
- (iv) Amounts claimed by the Transferor Company whether or not so recorded in the books of account of the Transferor Company from any Governmental Authority, under any law, act, scheme or rule, as refund of any tax, duty, cess or of any excess payment.
- (v) Rights to any claim not preferred or made by the Transferor Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, under any law, act, rule or scheme, and in respect of set-off, carry forward of un-absorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. whether under the Income Tax Act, 1961, the rules and regulations thereunder, or taxation laws of other countries, or any other or like benefits under the said acts or under and in accordance with any law or act, whether in India or anywhere outside India.

- (vi) All debts (secured and unsecured), liabilities including contingent liabilities, duties, leases of the Transferor Company and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized. Provided that if there exists any reference in the security documents or arrangements entered into by the Transferor Company under which the assets of the Transferor Company stand offered as a security for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to the Undertaking of the Transferor Company vested in the Transferee Company by the virtue of the Scheme. The Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company which shall vest in Transferee Company by virtue of the amalgamation. The Transferee Company shall not be obliged to create any further or additional security thereof after the amalgamation has become effective.
- (vii) All other obligations of whatsoever kind, including liabilities of the Transferor Company with regard to their employees, or the employees of any of their subsidiaries, with respect to the payment of gratuity, pension benefits and the provident fund or other compensation or benefits, if any, whether in the event of resignation, death, voluntary retirement or retrenchment or otherwise;
- (viii) All permanent and temporary employees engaged by the Transferor Company at various locations.

3 TRANSFER AND VESTING OF UNDERTAKING

Generally

- 3.1. Upon the coming into effect of the Scheme and with effect from the Appointed Date and pursuant to the provisions of Section 394 and other applicable provisions of the Act, if any, the Undertaking of the Transferor Company shall, without any further act, instrument or deed, be and stand transferred to and / or vested in or be deemed to have been and stand transferred to or vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the Undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme, together with all estate, rights, titles and interests and authorities including accretions and appurtenances therein including dividends, or other benefits receivable.

Transfer of Assets

- 3.2. Without prejudice to the generality of Section 3.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:
- (i) All assets and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company, and all assets and properties which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 391 to 394 of the Act.
 - (ii) In respect of such assets owned and belonging to the Undertaking of the Transferor Company as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company, and shall become the property of the Transferee Company in pursuance of the provisions of Section 394 and other applicable provisions of the Act.
 - (iii) In respect of movables other than those dealt with in Section 3.2 (ii) above including without any further act, instrument or deed of the Transferee Company the sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or deposittee, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company).
 - (iv) All consents, permissions, licenses, permits, quotas, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, registrations, incentives, subsidies, concessions, grants, rights, claims, liberties, special status,

other benefits or privileges and any powers of attorney given by, issued to or executed in favour of the Transferor Company including in relation to the Undertaking, and all rights and benefits which have accrued to the Transferor Company shall, under the provisions of Section 391 to 394 and other applicable provisions, if any, of the Act, stand transferred to and vested in, or shall be deemed to be transferred to or vested in, the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, so as to become, as and from the Appointed Date, consents, permissions, licenses, permits, quotas, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, registrations, incentives, subsidies, concessions, grants, rights, claims, liberties, special status, other benefits or privileges and any powers of attorney of the Transferee Company which are valid, binding and enforceable on the same terms, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.

3.3. Without prejudice to the generality of Section 3.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:

- (i) All the liabilities including all secured and unsecured debts, whether in Indian rupees or foreign currency), sundry creditors, contingent liabilities, duties, obligations and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations (the **"Liabilities"**) shall, without any further act, instrument or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company without any further act, instrument or deed, along with any charge, lien, encumbrance or security thereon, and the same shall be assumed to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain consent of any third party or other person who is a party to the contract or arrangements by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Section. Further, all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Company on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme.
- (ii) Without prejudice to the foregoing provisions of this Section, upon the coming into effect of the Scheme, all debentures, bonds, notes or other debt securities and other instruments of like nature (whether convertible into equity shares or not), including the NCDs shall, pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Act, without any further act, instrument or deed, become the debt securities of the Transferee Company on the same terms and conditions except to the extent modified under the provisions of this Scheme and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in or be deemed to have been transferred to and vested in and shall be exercised by or against the Transferee Company as if it was the issuer of such debt securities, so transferred and vested. If the debt securities (including the NCDs) are listed on any stock exchange, the same shall, subject to applicable law and regulations, be listed and/or admitted to trading on the relevant stock exchanges in India where the debt securities were listed and/or admitted to trading, on the same terms and conditions, subject to the requirements, if any, imposed by the Stock Exchanges, unless otherwise modified in accordance with applicable law.
- (iii) Where any of the debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations of the Transferor Company as on the Appointed Date deemed to be transferred to the Transferee Company have been discharged by Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.
- (iv) All loans raised or used and all liabilities and obligations incurred by the Transferor Company for the operations of the Transferor Company after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Transferee Company in which the Undertaking shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Transferee Company and shall become the debts, liabilities, duties and obligations of the Transferee Company which shall meet discharge and satisfy the same.
- (v) The Transferor Company may, if required, give notice in such form as it may deem fit and proper to each party, debtor or borrower as the case may be that pursuant to the High Courts sanctioning the Scheme, the said debt, loan, advance, etc. be paid or made good or held on account of the Transferee Company as the person entitled thereto.

- (vi) The Transferee Company may, if required, give notice in such form as it may deem fit and proper to each person, debtor or borrower that pursuant to the High Courts having sanctioned the Scheme, the said person, debtor or borrower shall pay the debt, loan or advance or make good the same or hold the same to its account and that the right of the Transferee Company to recover or realise the same is in substitution of the right of the Transferor Company.
 - (vii) The transfer and vesting of the assets comprised in the Undertaking to and in the Transferee Company under this Scheme shall be subject to the mortgages and charges, if any, affecting the same. All encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company which secures or relate to the Liabilities shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company. Provided that if any of the assets of the Transferor Company have not been encumbered in respect of the Liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Transferor Company. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.
 - (viii) Without prejudice to the provisions of the foregoing Sections and upon the effectiveness of this Scheme, the Transferor Company and the Transferee Company shall execute any instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and / or modification(s) of charge, with the Registrar of Companies having jurisdiction to give formal effect to the above provisions, if required.
 - (ix) It is expressly provided that no other term or condition of the liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- 3.4. Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of this Section 3 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and / or superseded by the foregoing provisions.
- 3.5. Subject to the terms of this Scheme, the transfer and vesting of the Undertaking of the Transferor Company under this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or concluded after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

5. LEGAL PROCEEDINGS

- (a) Upon coming into effect of this Scheme all suits, claims, actions and proceedings by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and be enforced by or against the Transferee Company as effectually as if the same had been originally instituted and/or pending and/or arising by or against the Transferee Company.
- (b) The Transferee Company will undertake to have all legal or other proceedings initiated by or against the Transferor Company referred to in Section 5 (a) above transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.

8. ISSUE OF CONSIDERATION BY THE TRANSFEE COMPANY

- 8.1 Upon the effectiveness of the Scheme, in consideration of the transfer of and vesting of the Undertaking of the Transferor Company in the Transferee Company and in terms of the Scheme, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of the Transferor Company (whose names are registered in the Register of Members of the Transferor Company on the Record Date, or his /her/its legal heirs, executors or administrators or, as the case may be, successors), equity shares of face value Re. 1/- (Rupees One) each credited as fully paid up of the Transferee Company in the ratio of 0.80 equity shares of the face value of Re. 1/- (Rupees One) each of the Transferee Company for every 1.00 equity share of Rs. 5/- (Rupees Five) credited as fully paid-up held on the Record Date by such equity shareholders or their respective legal heirs, executors or administrators or, as the case may be, successors in the Transferor Company (the **"New Equity Shares"**).

- 8.2 Where New Equity Shares are to be allotted to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of the Transferor Company, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of the Transferee Company.
- 8.3 The ratio in which equity shares of the Transferee Company are to be issued and allotted to the shareholders of the Transferor Company is herein referred to as the **"Share Exchange Ratio"**. In the event of any increase in the issued, subscribed or paid up share capital of the Transferee Company or issuance of any instruments convertible into equity shares or restructuring of its equity share capital including by way of share split/consolidation/issue of bonus shares, free distribution of shares or instruments convertible into equity shares or other similar action in relation to the share capital of the Transferee Company at any time before the Record Date, the Share Exchange Ratio shall be adjusted appropriately to take into account the effect of such issuance or corporate actions and assuming conversion of any such issued instruments convertible into equity shares.
- 8.4 New Equity Shares issued in terms of the Scheme shall, in compliance with the applicable regulations, be listed and/or admitted to trading on the relevant stock exchange(s) in India where the equity shares of Transferee Company are listed and admitted to trading. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of such stock exchanges. The New Equity Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are provided by the relevant stock exchanges.
- 8.5 In so far as the equity shares of the Transferor Company held by the Transferee Company or its subsidiaries or its limited liability partnerships are concerned, if any, on the Effective Date such shares shall stand cancelled and to that extent the Transferee Company is required to issue less number of shares.
- 8.6 Upon the New Equity Shares being issued and allotted to the shareholders of Transferor Company, the shares held by the said members of Transferor Company, whether in the physical form or in the dematerialized form, shall be deemed to have been automatically cancelled and be of no effect, without any further act, deed or instrument.
- 8.7 In so far as New Equity Shares are concerned, the same will be distributed in dematerialized form to the equity shareholders of Transferor Company, provided all details relating to the account with the depository participant are available to Transferee Company. All those equity shareholders who hold equity shares of Transferor Company and do not provide their details relating to the account with the depository participant will be distributed New Equity Shares in the physical/ certificate form unless otherwise communicated in writing by the shareholders on or before such date as may be determined by the board of Transferee Company or committee thereof.
- 8.8 Upon the coming into effect of the Scheme, the New Equity Shares of Transferee Company to be issued and allotted to the members of the Transferor Company as provided in the Scheme shall be subject to the provisions of the memorandum of association and articles of association of the Transferee Company and shall rank pari passu from the date of allotment in all respects with the existing equity shares of Transferee Company including entitlement in respect of dividends. The issue and allotment of New Equity Shares by the Transferee Company to the members of the Transferor Company as provided in this Scheme is an integral part hereof and shall be deemed to have been carried out pursuant to the Act.
- 8.9 No fractional certificates, entitlements or credits shall be issued or given by the Transferee Company in respect of the fractional entitlements, if any, to which the shareholders of the Transferor Company are entitled on the issue and allotment of equity shares by the Transferee Company in accordance with this Scheme. If any members of the Transferor Company have a shareholding such that such members become entitled to a fraction of a New Equity Share, the Board of Directors of the Transferee Company shall consolidate all such fractional entitlements to which the shareholders of the Transferor Company may be entitled on issue and allotment of the equity shares of the Transferee Company as aforesaid and shall, without any further application, act, instrument or deed, issue and allot such fractional entitlements directly to a nominee to be appointed by the board of directors of the Transferee Company, who shall hold such fractional entitlements with all additions or accretions thereto in trust for the benefit of the respective shareholders to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such fractional entitlements in the market at such price or prices and at such time or times as the nominee may in its sole discretion decide and on such sale pay to the Transferee Company the net sale proceeds thereof and any additions and accretions, whereupon the Transferee Company shall, subject to withholding tax and expenses, if any, distribute such sale proceeds to the concerned shareholders of the Transferor Company in proportion to their respective fractional entitlements.

8.10 Subject to receipt of such approvals, consents and sanctions as may be necessary under applicable law, in so far as it pertains to outstanding GDRs, if any:

- (a) The Board of Directors of the Transferee Company may elect, in its sole discretion to:
 - (i) *Equity Option*: Effect the exchange and cancellation of the GDRs for a proportional number of equity shares of the Transferee Company based on the Share Exchange Ratio;
 - (ii) *Cash-out Option*: Cash out existing GDR holders following the effectiveness of the Scheme.
- (b) If the Transferee Company elects the Cash-out Option for the GDR holders, then the equity shares issued by the Transferee Company to the Depository which represent the entitlement of the GDR holders shall be sold by the Depository in the open market and the net sales proceeds (after the deduction of taxes and expenses incurred) shall be distributed by the Depository to the GDR holders in the same proportion as their entitlements.
- (c) If the Transferee Company determines that the Equity Option and the Cash-out Option cannot be effected for any reason, the Transferee Company shall ensure that this does not delay implementation of the Scheme, and shall, in consultation with the Transferor Company, take all such actions as may be necessary to, upon effectiveness of the Scheme, issue or remit consideration in lieu of or in respect of the GDRs under this Scheme as per the Share Exchange Ratio to the GDR holders in a compliant manner, without delay to the sanction or effectiveness of the Scheme.
- (d) The Transferee Company, the Transferor Company and/or the Depository shall enter into such documents and take such actions as may be deemed necessary or appropriate to give effect to the above options or any other option adopted pursuant to (c) above.
- (e) The Transferee Company shall keep the Transferor Company regularly informed of the option it is electing and the status of the same, and consult with the Transferor Company in good faith in this regard, and shall keep the Transferor Company regularly informed of and invite the Transferor Company to all discussions with the Depository the custodian, any stock exchanges or Governmental Authority, in this regard.

8.11 **ESOPs:**

- (a) Upon the effectiveness of the Scheme, the Transferee Company shall issue stock options ("**Transferee Options**") to employees of the Transferor Company holding Transferor Options ("**Eligible Employees**") which shall entitle the Eligible Employees to purchase equity shares of the Transferee Company. The number of Transferee Options issued shall equal the product of the number of Transferor Options (whether vested or unvested) outstanding at the time of the effectiveness of the Scheme multiplied by the Share Exchange Ratio, with any fractional shares rounded down to the next higher whole number of shares (i.e. for every Transferor Option held by an Eligible Employee which entitles such eligible employee to acquire 1.00 equity share in the Transferor Company, such Eligible Employee will be conferred a Transferee Option to acquire 0.80 equity shares in the Transferee). The terms and conditions applicable to the Transferee Options shall be no less favourable than those provided under the ESOP Schemes. Such Transferee Options will be issued under a new employee stock option scheme created by the Transferee Company inter alia for the purpose of granting stock options to the Eligible Employees pursuant to the Scheme ("**Transferee ESOP Scheme**").
- (b) Each Transferee Option shall have an exercise price per equity share of the Transferee Company equal to the quotient of the Transferor Option exercise price per equity share of the Transferor Company divided by the Share Exchange Ratio (rounded up to the nearest higher whole cent).
- (c) Prior to the Scheme becoming effective, the ESOP Schemes shall be amended to provide for immediate and full accelerated vesting of all Transferor Options held by an employee if such employee's employment is terminated by the Transferee Company within 12 (twelve) months following effectiveness of the Scheme. The Transferee ESOP Scheme shall make appropriate equivalent provisions for such accelerated vesting of the Transferee Options granted by it to the Eligible Employees pursuant to this Scheme. Any stock option that becomes vested in accordance with the preceding sentence shall remain exercisable for no less than three months following such termination of employment.
- (d) The grant of stock options to the Eligible Employees pursuant to the provisions of this Scheme, including this Section 8, shall be effected as an integral part of the Scheme and the consent of the shareholders of the Transferor Company and the Transferee Company to the Scheme shall be deemed to be their consent in relation to all matters pertaining to the ESOP Schemes and the Transferee ESOP Schemes, including without limitation, for the purposes of creating the Transferee

ESOP Schemes, modifying the ESOP Schemes and/ or the Transferee ESOP Scheme, modifying the exercise price of the stock options under the ESOP Schemes and all related matters. No further approval of the shareholders of the Transferor Company or the Transferee Company would be required in this connection under any applicable law.

- (e) In relation to the Transferee Options granted by the Transferee Company to the Eligible Employees pursuant to this Scheme, in lieu of the Transferor Options granted to them under the ESOP Schemes, the period during which the Transferor Options were held by or deemed to have been held by the Eligible Employees shall be taken into account for determining the minimum vesting period required under applicable law, the ESOP Schemes and the Transferee ESOP Schemes.
- (f) Subject to applicable laws, the adjustments to the exercise price per option and option entitlement of the Eligible Employees proposed under this Section shall be appropriately reflected in the accounts of the Transferee Company.
- (g) The Boards of Directors of the Transferor Company and the Transferee Company shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Section 8.11 of the Scheme.

8.12 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of Directors of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Transferor Company, after the effectiveness of this Scheme. The New Equity Shares to be issued by the Transferee Company pursuant to this Scheme in respect of any equity shares of the Transferor Company which are held in abeyance under the provisions of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Transferee Company.

8.13 The New Equity Shares (and, if applicable, global depository receipts) of the Transferee Company issued pursuant to this Scheme, including and where applicable, without limitation, the equity shares relating to the GDRs shall not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") in reliance upon the exemption under Section 3(a)(10) of the Securities Act. The sanction of the High Courts to this Scheme will be relied upon for the purpose of qualifying the issuance and distribution of the equity shares of the Transferee Company issued pursuant to this Scheme, including and where applicable, without limitation, the equity shares relating to the GDRs (and, if applicable, global depository receipts) for such an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof.

9. REDUCTION OF CAPITAL AND RESERVES AND SURPLUS OF THE TRANSFEROR COMPANY

9.1 An amount equal to the balance lying to the debit in statement of profit and loss in the books of the Transferor Company on the close of 31st day of March, 2014, shall be, in the books of the Transferor Company, adjusted/reduced as follows in accordance with provisions of sections 391 to 394, sections 78 and 100 to 103 of the Companies Act, 1956 and section 52 of the Companies Act, 2013 and any other applicable provisions of law:

- a. Firstly, against reduction of Capital Reserve Account of the Transferor Company amounting to INR 176.20 crores. (Rupees one hundred seventy six crores and twenty lacs only);
- b. Secondly, against reduction of Securities Premium Account of the Transferor Company amounting to INR 3501.48 crores. (Rupees three thousand five hundred one crore and forty eight lacs only);
- c. Thirdly, against reduction of the General Reserve of the Transferor Company amounting to INR 551.92 (Rupees five hundred and fifty one crores and ninety two lacs only), to the extent available or required;
- d. The balance, if any, remaining in the debit in statement of profit and loss in the books of the Transferor Company shall be carried in the books of the Transferor Company as on 31st March, 2014.

9.2 For giving effect to the above provisions, the permission from the Equity Shareholders of the Transferor Company shall be deemed to have been received as contemplated by the Act and other related provisions on this Scheme being approved by members of the Transferor Company at the court convened meeting or otherwise.

9.3 The reduction in the Securities Premium Account and / or Capital Reserve Account and / or General Reserve as aforesaid, if any, of the Transferor Company shall be effected as an integral part of the Scheme itself as the same does not involve either diminution of liability in respect of unpaid Share Capital or payment to any shareholder of any unpaid Share Capital and the order of the Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act (including corresponding applicable

provisions of the Companies Act, 2013) confirming the reduction of Securities Premium and / or Capital Reserve Account and / or General Reserve. Such a reduction shall be deemed to be effective on and from the close of 31st March, 2014. The Transferor Company nor the Transferee Company shall not be required to add "and reduced" as a suffix.

10. ACCOUNTING TREATMENTS OF ASSETS, LIABILITIES AND RESERVES AND SURPLUS OF THE TRANSFEROR COMPANY IN THE BOOKS OF THE TRANSFEEE COMPANY

- 10.1 Recognising that the amalgamation is to be considered as an "amalgamation in the nature of merger" in accordance with the provisions of Accounting Standard 14 – "Accounting for Amalgamations" (AS-14) as notified under the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs), the accounting treatment in respect of assets, liabilities and reserves and surplus of the Transferor Company in the books of the Transferee Company shall be governed by, the provisions of AS-14, "the Pooling of Interest Method". Accordingly, all the assets and liabilities of the Transferor Company shall be recorded at their existing carrying amounts and in the same form as at the Appointed Date in the books of the Transferee Company.
- 10.2 As on the Appointed Date, the reserves, surplus and balance in the statement of profit and loss of the Transferor Company (after the immediately preceding adjustment/ reduction of the debit balance of profit and loss account as per clause 9 above), if any, will be aggregated with the respective reserves, surplus and balance in the statement of profit and loss of the Transferee Company in the same form as they appeared in the financial statements of the Transferor Company.
- 10.3 An amount equal to the balance lying to the credit / debit of the Statement of Profit and Loss in the books of the Transferor Company (after the immediately preceding adjustment/ reduction of the debit balance of profit and loss account as per clause 9 above), if any, shall be credited / debited by the Transferee Company to the balance of its statement of profit and loss and shall constitute (or reduce, as the case may be) the Transferee Company's free reserves.
- 10.4 An amount equal to the balance lying to the credit of Securities / Share Premium Account in the books of the Transferor Company (after the immediately preceding adjustment/ reduction of the debit balance of profit and loss account as per clause 9 above), if any, shall be credited by the Transferee Company to its Securities / Share Premium Account and shall constitute the Transferee Company's Securities / Share Premium Account.
- 10.5 The face value of equity shares issued by the Transferee Company to the shareholders of the Transferor Company will be recorded as equity share capital of the Transferee Company. The excess of the amount recorded as share capital issued by the Transferee Company over the amount of share capital of the Transferor Company will be reduced from General Reserve Account. In case of excess of the amount of share capital of the Transferor Company over the amount recorded as share capital issued by the Transferee Company will be credited to Capital Reserve Account.
- 10.6 In case of any difference in accounting policies of the Transferee Company and the Transferor Company, the impact of the same, till the Appointed Date will be quantified and the same shall be appropriately adjusted and reported in accordance with applicable Accounting Standards so as to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policies.

14. DISSOLUTION OF THE TRANSFEROR COMPANY AND VALIDITY OF RESOLUTIONS

- 14.1 Upon the effectiveness of this Scheme, the Transferor Company shall be dissolved without winding up, and the Board of Directors and any committees thereof of the Transferor Company shall without any further act, instrument or deed be and stand dissolved.
- 14.2 Upon the coming into effect of this Scheme, the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company

15. AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE TRANSFEEE COMPANY

- 15.1 Increase of authorised share capital
 - (a) As an integral part of Scheme, and, upon coming into effect of the Scheme, the authorized share capital of the Transferor Company, as on the Effective Date, shall be added to the authorized share capital of the Transferee Company, as on the Effective Date, without any further act or deed and without any further payment of the stamp duty or the registration fees

and Clause V of the memorandum of association of the Transferee Company and Article 4 of the articles of association of the Transferee Company shall be altered accordingly.

(b) Clause V of the memorandum of association of the Transferee Company shall, without any further act or deed, be substituted by the following clause:

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

(c) Article 4 of the articles of association of the Transferee Company shall, without any further act or deed, be substituted by the following article:

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

(d) Pursuant to this Scheme, the Transferee Company shall file the requisite forms with the Registrar of Companies for alteration of its authorized share capital.

(e) Under the accepted principle of single window clearance, it is hereby provided that the amendment in Section 15.1 shall become operative on the Scheme being effective by virtue of the fact that the shareholders of the Transferee Company, while approving the Scheme as a whole, have approved and accorded the relevant consents as required under the Act and shall not be required to pass separate resolutions as required under the Act. For this purpose, the filing fees and stamp duty already paid by the Transferor Company on its authorised share capital shall be utilized and applied to the increased share capital of the Transferee Company, and shall be deemed to have been so paid by the Transferee Company on such combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fees / stamp duty on the authorised share capital so increased.

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

8. Vide the Resolutions passed at the respective Board Meetings dated 6th April, 2014, the Board of Directors of both the companies resolved that subject to such approvals of the Equity Shareholders and Creditors, if so required, of both the companies 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 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 Observation Letter 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. 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 Sections 235 and 250A of the Act.
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	74	M.Sc. in Economics
2	Mr. Dilip S. Shanghvi	Managing Director	58	B.com
3	Mr. Sudhir V. Valia	Non Promoter Executive Director	57	B.com, FCA
4	Mr. Sailesh T. Desai	Non Promoter Executive Director	60	B.Sc
5	Mr. S. Mohanchand Dadha	Non-Executive Independent Director	77	I.Sc
6	Mr. Hasmukh S. Shah	Non-Executive Independent Director	79	M.A. (Economics)
7	Mr. Keki M. Mistry	Non-Executive Independent Director	59	FCA and Member of Michigan Assn. of Certified Public Accountants, USA.
8	Mr. Ashwin S. Dani	Non-Executive Independent Director	71	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 **RANBAXY LABORATORIES LIMITED**

Sr. No.	Name of Director	Designation	Age	Educational Qualifications
1.	Mr. Rajesh Viren Shah	Non-Executive Independent Director	63	Master in Arts from University of Cambridge, UK, Masters in Business Administration from University of California US, Executive Management Program from Harvard Business School, US
2.	Mr. Arun Sawhney	CEO & Managing Director	59	B.Com. from Sydenham College of Commerce, Mumbai University, post graduate in management from International Management Institute, Delhi
3.	Mr.Percy Keku Shroff	Non-Executive Independent Director	62	Graduate in Arts from Whittier College, California
4.	Mr.Takashi Shoda	Non-Executive Director	66	Graduate from Faculty of Pharmacy, Tokyo University
5.	Mr. Akihiro Watanabe	Non-Executive Independent Director	55	Graduate in Commerce and Accounting, Chup University, Japan and Japanese CPA
6.	Dr. Tsutomu Une	Chairman Non-Executive Director	66	Graduate from Hokkaido School of Veterinary Medicine, Ph.D in Microbiology

Sr. No.	Name of Director	Designation	Age	Educational Qualifications
7.	Dr. Anthony Hugh Wild	Non-Executive Independent Director	66	Honours degree in Chemistry from University of York, Ph.D degree in Physical University from University of Cambridge
8.	Dr. Kazunori Hirokawa	Non-Executive Director	63	Graduate from University of Tokyo, M.D and Ph.D from Tokyo Medical and Dental University

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 respective shareholding (singly or jointly as first holder) of Directors and Key Personnel in the Transferee Company as on 31st March, 2014 is as under:-

Directors Shareholding of Transferee Company

Name of Directors	In SPIL (Transferee Company)	In RLL (Transferor Company)
Mr. Israel Makov	Nil	Nil
Mr. Dilip S. Shanghvi	231140480	Nil
Mr. Sudhir V. Valia	15384000	Nil
Mr. Sailesh T. Desai	3751020	Nil
Mr. S. Mohanchand Dadha	74280	Nil
Mr. Hasmukh S. Shah	Nil	Nil
Mr. Keki M. Mistry	41350	2400
Mr. Ashwin S. Dani	Nil	Nil
Mrs. Rekha Sethi	Nil	Nil

Key Personnel's Shareholding of Transfree Company

Name of Key Personnel	In SPIL (Transferee Company)	In RLL (Transferor Company)
Mr. Sunil Ajmera	Nil	Nil

Directors Shareholding of Transferor Company

Name of Directors	In SPIL (Transferee Company)	In RLL (Transferor Company)
Dr. Tsutomu Une	Nil	Nil
Mr. Arun Sawhney	Nil	36,077
Mr. Rajesh Viren Shah	Nil	Nil
Mr. Takashi Shoda	Nil	Nil
Mr. Percy Keku Shroff	Nil	Nil
Mr. Akihiro Watanabe	Nil	Nil
Dr. Anthony Hugh Wild	Nil	Nil
Dr. Kazunori Hirokawa	Nil	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 March, 2014 - **pre-amalgamation** is as follows.

Sr. No. (I)	Category of shareholder (II)	Total Number of Shares (III)	Percentage of total number of shares (IV)
(A)	Promoter and Promoter Group		
1	Indian		
(a)	Individuals/Hindu Undivided Family	304042200	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)	1318346400	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)	1318346400	63.65
(B)	Public shareholding		
1	Institutions		
(a)	Mutual Funds/UTI	24943604	1.20
(b)	Financial Institutions / Banks	36598631	1.77
(c)	Central Government/State Government(s)	1296420	0.06
(d)	Venture Capital Funds	0	0.00
(e)	Insurance Companies	51985309	2.51
(f)	Foreign Institutional Investors	466237186	22.51
(g)	Foreign Bank	0	0.00
(h)	Qualified Foreign Investors	31600	0.00
(i)	Any Other (specify)	0	0.00
	Sub Total (B) (1)	581092750	28.06
2	Non-institutions		
(a)	Bodies Corporate	52421989	2.53
(b) (i)	Individuals - shareholders holding nominal share capital up to Rs 1 Lakh	76153544	3.68
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	32602698	1.57
(c)	Qualified Foreign Investors	0	0.00

Sr. No. (I)	Category of shareholder (II)	Total Number of Shares (III)	Percentage of total number of shares (IV)
(d)	Any Other		
i	Non Resident Indians (Repat)	1222344	0.06
ii	Non Resident Indians (Non Repat)	760610	0.04
iii	Foreign Companies	617160	0.03
iv	Clearing Member	2172188	0.10
v	Directors & their Relatives & Friends	3866650	0.19
vi	Trusts	1861577	0.09
vii	Overseas Corporate Bodies	46000	0.00
	Sub Total (B)(2)	171724760	8.29
	Total Public Shareholding Public Group (B)=(B)(1)+(B)(2)	752817510	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
li	Public	0	0.00
	Sub Total (C)	0	0.00
	GRAND TOTAL (A)+(B)+(C)	2071163910	100.00

The indicative shareholding pattern for the Transferee Company as on 31st March, 2014 (assuming the continuing shareholding pattern as on 31.03.2014) - post-amalgamation is as follows:

Sr. No. (I)	Category of shareholder (II)	Total Number of Shares (III)	Percentage of total number of shares (IV)
(A)	Promoter and Promoter Group		
1	Indian		
	Sub Total (A)(1)	1318346400	54.83
2	Foreign		
	Sub Total (A)(2)	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	1318346400	54.83
(B)	Public shareholding		
1	Institutions		
(a)	Mutual Funds/UTI	26543252	1.10
(b)	Financial Institutions / Banks	37871222	1.57
(c)	Central Government/State Government(s)	1296420	0.05
(d)	Venture Capital Funds	0	0.00
(e)	Insurance Companies	77248486	3.21
(f)	Foreign Institutional Investors	506207275	21.05

Sr. No. (I)	Category of shareholder (II)	Total Number of Shares (III)	Percentage of total number of shares (IV)
(g)	Foreign Bank	0	0.00
(h)	Qualified Foreign Investors	31600	0.00
(I)	Any Other (specify)	0	0.00
	Sub Total (B) (1)	649198255	27.00
2	Non-institutions		
(a)	Bodies Corporate	57966094	2.41
(b) (i)	Individuals - shareholders holding nominal share capital up to Rs 1 Lakh	110211454	4.58
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	35580259	1.48
(c)	Qualified Foreign Investors	0	0.00
(d)	Any Other		
i	Non Resident Indians	3758920	0.16
ii	Foreign Companies	216570065	9.01
iii	Clearing Member	2172188	0.09
iv	Directors & their Relatives & Friends	3866650	0.16
v	Trusts	1861577	0.08
vi	Overseas Corporate Bodies	46000	0.00
vii	ESOP Shares*	21398	0.00
	Sub Total (B)(2)	432054605	17.97
	Total Public Shareholding Public Group (B)=(B)(1)+(B)(2)	1081252860	44.97
	Total (A)+(B)	2399599260	99.79
(C)	Shares held by custodians and against which Depository Receipts have been issued		
i	Promoter and Promoter group	0	0.00
ii	Public	5035264	0.21
	Sub Total (C)	5035264	0.21
	GRAND TOTAL (A)+(B)+(C)	2404634524	100.00

Current ownership of Transfree Company/its subsidiaries/its LLP's in the Tranferor Company has been considered as cancelled under the head of Individuals owning nominal share capital upto one lakh.

* Shares issued by the Tranferor Company post 31st March, 2014 to its employees as ESOP have been considered and the ESOP Shareholders will also get shares of Tranferee Company.

15. The abridged provisional financial statements of the Transferee Company for last one year are annexed herewith as **Annexure-1**.
16. The following documents will be opened 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 and at the venue of the Meeting on the date of the Meeting during the Meeting hours.
 - (i) Copy of the Order passed by the Hon'ble High Court of Gujarat dated 16th July 2014 directing convening the meeting of Equity Shareholders passed in Company Application No. 187 of 2014.
 - (ii) Copies of the Memorandum of Association and Articles of Association of the SPIL and RLL;

- (iii) Copy of Provisional Audited Annual Accounts of SPIL for the year ended on 31.03.2014 and Audited Annual Accounts for the year ended 31.03.2013 and Unaudited results for three months period ended 30.06.2014;
- (iv) Copy of Audited Annual Accounts of the RLL for the year ended on 31.03.2014 and 31.03.2013 and Unaudited results for three months period ended 30.06.2014;
- (v) Copy of Scheme of Arrangement together with documents referred therein.
- (vi) Copy of Fairness Opinion for the proposed Scheme of Arrangement of amalgamation of Ranbaxy Laboratories Limited with Sun Pharmaceutical Industries Limited dated 06 April, 2014;
- (vii) Copy of Valuation Report dated 06 April, 2014;
- (viii) Observation letter to the Scheme received from the BSE Limited;
- (ix) Observation letter to the Scheme received from the National Stock Exchange of India Limited;
- (x) Observation letter to the Scheme received from the Securities and Exchange Board of India;
- (xi) Copy of Complaints Report dated 9th June 2014;
- (xii) 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.

Dated this 22nd day of July 2014

Mumbai

Sd/-
Dilip Shanghvi

Chairman appointed for the meeting

Registered Office:

SPARC, Tandajja,
Vadodara, Gujarat - 390020.

Encl. : As above

ANNEXURE-1

ABRIDGED PROVISIONAL AUDITED BALANCE SHEET AS AT 31ST MARCH, 2014*

Rs. in Million

	As at 31st March, 2014		As at 31st March, 2013	
EQUITY AND LIABILITIES				
Shareholders' Funds				
Share Capital	2,071.2		1,035.6	
Reserves and Surplus	78,826.0	80,897.2	76,853.2	77,888.8
Non-current Liabilities				
Long-term Borrowings	46.4		46.4	
Deferred Tax Liabilities (Net)	1,929.5		1,654.1	
Other Long-term Liabilities	13.8		10.1	
Long-term Provisions	2,080.0	4,069.7	1,314.9	3,025.5
Current Liabilities				
Short-term Borrowings	41.7		384.9	
Trade Payables	3,800.6		3,632.7	
Other Current Liabilities	2,336.1		1,451.5	
Short-term Provisions	95.4	6,273.8	6,081.5	11,550.6
TOTAL		91,240.7		92,464.9
ASSETS				
Non-current Assets				
Fixed Assets				
Tangible Assets	12,575.6		11,347.6	
Intangible Assets	74.1		10.3	
Capital Work-in-Progress	4,804.6		3,480.4	
	17,454.3		14,838.3	
Non-current Investments	34,176.9		33,764.9	
Long-term Loans and Advances	6,734.9		4,910.9	
Other Non-current Assets	1.1	58,367.2	78.3	53,592.4
Current Assets				
Current Investments	8,600.0		9,410.5	
Inventories	9,183.8		8,687.6	
Trade Receivables	9,682.6		7,375.3	
Cash and Cash Equivalents	1,414.8		4,311.2	
Short-term Loans and Advances	3,093.2		8,495.0	
Other Current Assets	899.1	32,873.5	592.9	38,872.5
TOTAL		91,240.7		92,464.9

* Subject to revision for giving effect to the Scheme of Amalgamation and reconstruction between Sun Pharma Global FZE and Sun Pharmaceutical Industries Limited effective from 1st May, 2013.

ABRIDGED PROVISIONAL AUDITED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014*

Rs. in Million

	Year ended 31st March, 2014		Year ended 31st March, 2013	
Revenue from Operations	28,620.2		25,184.9	
Less: Excise Duty	994.6		<u>863.5</u>	
	27,625.6		24,321.4	
Other Income	1,752.0		2,361.7	
Total Revenue		29,377.6		26,683.1
Expenses				
Cost of Materials Consumed	8,946.2		7,057.9	
Purchases of Stock-in-Trade	1,850.4		2,009.6	
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(145.3)		(105.3)	
Employee Benefits Expense	2,789.6		2,348.7	
Depreciation and Amortisation Expense	1,008.3		858.2	
Other Expenses	10,764.6		<u>7,883.7</u>	
Total Expenses		25,213.8		20,052.8
Profit Before Exceptional Item and Tax		4,163.8		6,630.3
Exceptional Item		0		-
Profit Before Tax		4,163.8		6,630.3
Tax Expense				
Current Tax	880.0		1,149.8	
Deferred Tax	275.4	1,155.4	<u>315.0</u>	1,464.8
Profit for the Year		3,008.4		5,165.5

* Subject to revision for giving effect to the Scheme of Amalgamation and reconstruction between Sun Pharma Global FZE and Sun Pharmaceutical Industries Limited effective from 1st May, 2013.

SCHEME OF ARRANGEMENT
BETWEEN
RANBAXY LABORATORIES LIMITED - TRANSFEROR COMPANY
AND
SUN PHARMACEUTICAL INDUSTRIES LIMITED - TRANSFEREE COMPANY
UNDER SECTIONS 391 TO 394, SECTIONS 78 AND 100 OF THE COMPANIES ACT, 1956 AND
SECTION 52 OF THE COMPANIES ACT, 2013

This Scheme of Arrangement provides for amalgamation of Ranbaxy Laboratories Limited (Company Registration Number:003747 and having Corporate Identification Number: L24231PB1961PLC003747) incorporated under the Act on June 16, 1961 (**'Transferor Company'**) with Sun Pharmaceutical Industries Limited, (Company Registration Number: 04-19050 and having Corporate Identification Number: L24230GJ1993PLC019050) incorporated under the Act on March 1, 1993 (**'Transferee Company'**) pursuant to Sections 391 to 394 and other relevant provisions of the Act and reduction of capital and reserves and surplus as under the Scheme pursuant to Section 78 (including corresponding Section 52 of the Companies Act, 2013), Section 100 and other relevant provisions of the Act.

1 PREAMBLE

1.1. Description of Companies

- (a) **The Transferor Company:** Ranbaxy Laboratories Limited is a listed company incorporated under the provisions of the Act and having its registered office at A-41, Industrial Area Phase VIII-A, SAS Nagar, Mohali, Punjab-160061, India. The Transferor Company was originally constituted as a private limited company on June 16, 1961 under the name and style of Lepetit Ranbaxy Laboratories Private Limited as per the certificate of registration issued by the Registrar of Companies, Delhi. The Transferor Company became a deemed public limited company effective March 20, 1962 and then was converted into a public limited company effective August 24, 1966. The Transferor Company was again converted to a private limited company effective October 27, 1970 and subsequently converted on September 27, 1973 as a Public Limited Company under the Act under the name and style of Ranbaxy Laboratories Limited as per the certificate of registration issued by the Registrar of Companies, Delhi and Haryana. The registered office of the Transferor Company was changed from the State of Delhi to the State of Punjab on June 27, 1977. The Transferor Company was formed with the main objects of manufacturing and marketing of pharmaceutical products. The Transferor Company is an integrated international pharmaceutical organization with businesses encompassing the entire value chain in the marketing, production and distribution of dosage forms and active pharmaceutical ingredients. Further, the Transferor Company along with its subsidiaries is also engaged in the business of consumer healthcare products. The details of the authorised, issued, subscribed and paid-up share capital of the Transferor Company are set out in the Scheme. The equity shares of the Transferor Company are listed on the Stock Exchanges. The GDRs representing underlying equity shares of the Transferor Company are listed on the Luxembourg Stock Exchange. The NCDs issued by the Transferor Company are listed on the wholesale debt market of the National Stock Exchange of India Limited.
- (b) **The Transferee Company:** Sun Pharmaceutical Industries Limited is a listed company incorporated under the provisions of the Act and having its registered office at SPARC, Tandalja, Vadodara – 390020, Gujarat, India. The Transferee Company was originally constituted as a public limited company on March 1, 1993, under the name and style of Sun Pharmaceutical Industries Limited under the Act as per the certificate of registration issued by the Registrar of Companies, Gujarat and was formed with the objective to carry on the business including that of development, manufacture, sale, trading and export of various generic drug formulations and the manufacture of drugs and pharmaceutical products. The details of the authorised, issued, subscribed and paid-up share capital of the Transferee Company are set out in the Scheme. The equity shares of the Transferee Company are listed on the Stock Exchanges.

1.2. Rationale for the Scheme

To consolidate and effectively manage the pharmaceutical and related businesses of the Transferor Company and the Transferee Company in a single entity which will provide synergy benefits, attain efficiencies and cost competitiveness, it is intended that the Transferor Company should amalgamate with Transferee Company. The amalgamation of Transferor Company with Transferee Company would *inter alia* have the following benefits:

- (a) The combination of Transferee Company and Transferor Company bring strengths that each company does not necessarily possess individually. The expanded global reach of the Transferee Company would be particularly beneficial for capitalizing on growth opportunities in both developed and emerging markets, including India.
 - (b) Both the Transferor Company and Transferee Company are in similar lines of business and intend to / can achieve larger product portfolio, economies of scale, efficiency, optimisation of logistic and distribution network and other related economies by consolidating the business operations being managed by different management teams. This Scheme of Arrangement intends to merge the operations of the Transferor Company with that of the Transferee Company to fulfil this objective.
 - (c) The Transferee Company will have the benefit of a diversified product portfolio, including complex products and first to file opportunities, across chronic and acute treatments.
 - (d) The Transferee Company will have the benefit of the combined resources of Transferor Company and Transferee Company. The Transferee Company would be in a position to carry on consolidated operations through optimum utilization of resources, avoidance of duplication and better financial strength.
- 1.3. In view of the aforesaid, the board of directors of the Transferor Company and the Transferee Company have considered and proposed the amalgamation for the transfer and vesting of the entire Undertaking and business of the Transferor Company with and into the Transferee Company and other matters herein, with an opinion that the amalgamation and other provisions of the Scheme would benefit the shareholders, employees and other stakeholders of the Transferor Company and the Transferee Company.
- 1.4. In furtherance of the aforesaid, this Scheme (as defined hereunder) provides for:
- (a) the amalgamation of the Transferor Company with the Transferee Company;
 - (b) the consequent issue of shares and NCDs by the Transferee Company to the shareholders and holders of NCDs respectively and the treatment of GDRs of the Transferor Company; and
 - (c) various other matters consequential or otherwise integrally connected herewith;
- pursuant to Sections 391 to 394, Section 78 (including corresponding Section 52 and other relevant provisions of the Companies Act, 2013), Section 100 and other relevant provisions of the Act (as defined hereunder) in the manner provided for in this Scheme.
- 1.5. The amalgamation of the Transferor Company with the Transferee Company will combine the business, activities and operations of the Transferor Company and the Transferee Company into a single company with effect from the Appointed Date and shall be in compliance with the provisions of the Income Tax Act, 1961, including Section 2(1B) thereof or any amendments thereto.

1.6. Definitions

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

- (a) **'Act'** means the Companies Act, 1956 (and to the extent applicable the Companies Act, 2013) including any statutory modifications, re-enactments or amendments thereof from time to time;
- (b) **'Appointed Date'** means the 1st day of April, 2014 or such other date as may be agreed between the Transferor Company and the Transferee Company and approved by the High Court(s);
- (c) **'Board of Directors'** means the board of directors of the Transferor Company or Transferee Company, as the case may be, and shall include a duly constituted committee thereof;
- (d) **'Depository'** means The Bank of New York Mellon Corporation, being the depository for the GDRs;
- (e) **'Effective Date'** means the last of the dates on which the conditions referred to in Section 18 of this Scheme have been fulfilled. All references in this Scheme to the date of **"coming into effect of this Scheme"** or **"effectiveness of this Scheme"** or **"Scheme taking effect"** shall mean the Effective Date;
- (f) **'ESOS I'** means the Employees Stock Option Scheme (I) of the Transferor Company pursuant to which eligible employees of the Transferor Company are entitled to be issued shares in the Transferor Company upon exercise of a stock option;

- (g) **'ESOS II'** means the Employees Stock Option Scheme (II) of the Transferor Company pursuant to which eligible employees of the Transferor Company are entitled to be issued shares in the Transferor Company upon exercise of a stock option;
- (h) **'ESOS 2005'** means the Employees Stock Option Scheme, 2005 of the Transferor Company pursuant to which eligible employees of the Transferor Company are entitled to be issued shares in the Transferor Company upon exercise of a stock option;
- (i) **'ESOP 2011'** means the Ranbaxy Employee Stock Option Plan – 2011 of the Transferor Company pursuant to which shares in the Transferor Company are transferred to the eligible employees of the Transferor Company upon exercise of stock options;
- (j) **'ESOP Schemes'** mean ESOS I, ESOS II, ESOS 2005 and ESOP 2011;
- (k) **'GDRs'** means the global depositary receipts issued by the Transferor Company pursuant to the "Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depositary Receipt Mechanism) Scheme, 1993" and other applicable law;
- (l) **'Governmental Authority'** means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction;
- (m) **'High Court'** means the Hon'ble High Court of Punjab and Haryana having jurisdiction in relation to the Transferor Company and the High Court of Gujarat having jurisdiction in relation to the Transferee Company, as the context may admit and shall, if applicable, include the National Company Law Tribunal, and "High Courts" shall mean both of them, as the context may require;
- (n) **'NCDs'** means all the non-convertible debentures issued by the Transferor Company each of which are listed on the wholesale debt market segment of National Stock Exchange of India Limited;
- (o) **'New Equity Shares'** means new equity shares of Transferee Company as referred to in Section 8;
- (p) **'Record Date'** means the date fixed by the Board of Directors of the Transferor Company or any committee thereof in consultation with the Transferee Company, for the purpose of determining names of the equity shareholders of the Transferor Company, who shall be entitled to receive shares of the Transferee Company upon coming into effect of this Scheme;
- (q) **'Scheme' or 'Scheme of Arrangement'** means this Scheme of Arrangement in its present form or with any modifications, approved or imposed or directed by the Board of Directors of the Transferor and the Transferee Company or by the members or creditors and/or by the High Court(s) or any other relevant authority;
- (r) **'Stock Exchanges'** means National Stock Exchange of India Limited and the BSE Limited;
- (s) **'Transferor Company'** means Ranbaxy Laboratories Limited, a company registered under the Act and having its registered office at A-41, Industrial Area, Phase VIII-A, SAS Nagar, Mohali, Punjab - 160061, India;
- (t) **'Transferor Option'** means a stock option granted under an ESOP Scheme;
- (u) **'Transferee Company'** means Sun Pharmaceutical Industries Limited, a company registered under the Act and having its registered office at SPARC, Tandalja, Vadodara – 390020, Gujarat, India;
- (v) **'Undertaking'** shall mean the entire business and the whole of the undertakings of the Transferor Company as a going concern, all its assets, rights, licenses and powers, and all its debts, outstandings, liabilities, duties, obligations and employees as on the Appointed Date including, but not limited to, the following:
- (i) All the assets and properties (whether moveable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent) of the Transferor Company, whether situated in India or abroad, including, but not limited to manufacturing facilities, laboratories, land (whether leasehold or freehold), processing plants, plant and machinery, computers, equipment, buildings and structures, offices, residential and other premises, diesel generator sets, stock-in-trade, packing material, raw materials, formulations, tablets, capsules, vials, ointments, active pharmaceutical ingredients and drugs intermediaries, capital work in progress, sundry debtors, furniture, fixtures, interiors, office equipment, vehicles, appliances, accessories, power lines, depots,

deposits, all stocks, stocks of fuel, assets, investments of all kinds (including shares, scripts, subsidiaries, stocks, bonds, debenture stocks, units or pass through certificates) including shares or other securities held by the Transferor Company in its subsidiaries, cash balances or deposits with banks, cheques on hand, loans, advances, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by the Transferor Company, financial assets, leases (including but not limited to lease rights of the Transferor Company), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, bids, tenders, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, tenancies or license in relation to the office and /or residential properties (including for the employees or other persons), guest houses, godowns, warehouses, licenses, fixed and other assets, intangible assets (including but not limited to software), trade and service names and marks, patents, copyrights, designs and other intellectual property rights of any nature whatsoever, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including tax benefits), assets held by or relating to any Transferor Company employee benefit plan, export incentives accrued, derivative instruments, forward contracts, insurance claims receivable, tax holiday benefit, incentives, credits (including tax credits), minimum alternative tax credit entitlement tax losses, rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, in each case, whether in India or abroad.

- (ii) All agreements, rights, contracts, entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quotas, rights, engagements, arrangements, authorities, allotments, security arrangements, benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Transferor Company business activities and operations.
- (iii) All intellectual property rights, engineering and process information, software licenses (whether proprietary or otherwise), drawings, records, files, books, papers, computer programmes, manuals, data, catalogues, sales and advertising material, lists of present and former customers and suppliers, customer credit information, customer pricing information, other customer information and all other records and documents, whether in physical or electronic form, relating to the business activities and operations of the Transferor Company.
- (iv) Amounts claimed by the Transferor Company whether or not so recorded in the books of account of the Transferor Company from any Governmental Authority, under any law, act, scheme or rule, as refund of any tax, duty, cess or of any excess payment.
- (v) Rights to any claim not preferred or made by the Transferor Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, under any law, act, rule or scheme, and in respect of set-off, carry forward of un-absorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. whether under the Income Tax Act, 1961, the rules and regulations thereunder, or taxation laws of other countries, or any other or like benefits under the said acts or under and in accordance with any law or act, whether in India or anywhere outside India.
- (vi) All debts (secured and unsecured), liabilities including contingent liabilities, duties, leases of the Transferor Company and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized. Provided that if there exists any reference in the security documents or arrangements entered into by the Transferor Company under which the assets of the Transferor Company stand offered as a security for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining

to the Undertaking of the Transferor Company vested in the Transferee Company by the virtue of the Scheme. The Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company which shall vest in Transferee Company by virtue of the amalgamation. The Transferee Company shall not be obliged to create any further or additional security thereof after the amalgamation has become effective.

- (vii) All other obligations of whatsoever kind, including liabilities of the Transferor Company with regard to their employees, or the employees of any of their subsidiaries, with respect to the payment of gratuity, pension benefits and the provident fund or other compensation or benefits, if any, whether in the event of resignation, death, voluntary retirement or retrenchment or otherwise;
- (viii) All permanent and temporary employees engaged by the Transferor Company at various locations.

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

2 SHARE CAPITAL

2.1. Transferor Company

The share capital of the Transferor Company as on March 31, 2014 is as set out below:

Particulars	Amount (INR)
Authorised share capital	
598,000,000 authorised equity shares of face value INR 5/- each.	2,990,000,000
100,000 preference shares of face value INR 100/- each	10,000,000
TOTAL	3,000,000,000
Issued, subscribed and paid-up share capital	
423,779,063 subscribed, fully-paid up equity shares of face value INR 5/- each.*	2,118,895,315
TOTAL	2,118,895,315

* Includes 6,294,081 equity shares represented by the GDRs.

* The Transferor Company intends to allot 26,747 equity shares on April 14, 2014 to employees of the Transferor Company who have exercised their vested options under ESOP II and ESOP 2005.

As on the date of this Scheme, except as set out above, there is no change in the share capital of the Transferor Company.

2.2. Transferee Company

The share capital of the Transferee Company as on March 31, 2014 is as set out below:

Particulars	Amount (INR)
Authorised share capital	
3,000,000,000 authorised equity share capital of INR 1/- each.	3,000,000,000
TOTAL	3,000,000,000
Issued, subscribed and paid-up share capital	
2,071,163,910 subscribed, fully-paid up equity shares of INR 1/- each.	2,071,163,910
TOTAL	2,071,163,910

As on the date of this Scheme, there is no change in the share capital of the Transferee Company from the share capital as set out above.

- 2.3. The authorised share capital of the Transferor Company will be transferred to the Transferee Company as stated under Section 15 of the Scheme. If required further, thereafter, upon the Scheme of Arrangement becoming finally effective, the Transferee Company will suitably enhance its authorised capital at the appropriate time.

3 TRANSFER AND VESTING OF UNDERTAKING

Generally

- 3.1. Upon the coming into effect of the Scheme and with effect from the Appointed Date and pursuant to the provisions of Section 394 and other applicable provisions of the Act, if any, the Undertaking of the Transferor Company shall, without any further act, instrument or deed, be and stand transferred to and / or vested in or be deemed to have been and stand transferred to or vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the Undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme, together with all estate, rights, titles and interests and authorities including accretions and appurtenances therein including dividends, or other benefits receivable.

Transfer of Assets

- 3.2. Without prejudice to the generality of Section 3.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:
- (i) All assets and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company, and all assets and properties which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 391 to 394 of the Act.
 - (ii) In respect of such assets owned and belonging to the Undertaking of the Transferor Company as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company, and shall become the property of the Transferee Company in pursuance of the provisions of Section 394 and other applicable provisions of the Act.
 - (iii) In respect of movables other than those dealt with in Section 3.2 (ii) above including without any further act, instrument or deed of the Transferee Company the sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company).
 - (iv) All consents, permissions, licenses, permits, quotas, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, registrations, incentives, subsidies, concessions, grants, rights, claims, liberties, special status, other benefits or privileges and any powers of attorney given by, issued to or executed in favour of the Transferor Company including in relation to the Undertaking, and all rights and benefits which have accrued to the Transferor Company shall, under the provisions of Section 391 to 394 and other applicable provisions, if any, of the Act, stand transferred to and vested in, or shall be deemed to be transferred to or vested in, the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, so as to become, as and from the Appointed Date, consents, permissions, licenses, permits, quotas, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, registrations, incentives, subsidies, concessions, grants, rights, claims, liberties, special status, other benefits or privileges and any powers of attorney of the Transferee Company which are valid, binding and enforceable on the same terms, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.
- 3.3. Without prejudice to the generality of Section 3.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:
- (i) All the liabilities including all secured and unsecured debts, whether in Indian rupees or foreign currency), sundry creditors, contingent liabilities, duties, obligations and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations (the **"Liabilities"**)

shall, without any further act, instrument or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company without any further act, instrument or deed, along with any charge, lien, encumbrance or security thereon, and the same shall be assumed to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain consent of any third party or other person who is a party to the contract or arrangements by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Section. Further, all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Company on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme.

- (ii) Without prejudice to the foregoing provisions of this Section, upon the coming into effect of the Scheme, all debentures, bonds, notes or other debt securities and other instruments of like nature (whether convertible into equity shares or not), including the NCDs shall, pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Act, without any further act, instrument or deed, become the debt securities of the Transferee Company on the same terms and conditions except to the extent modified under the provisions of this Scheme and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in or be deemed to have been transferred to and vested in and shall be exercised by or against the Transferee Company as if it was the issuer of such debt securities, so transferred and vested. If the debt securities (including the NCDs) are listed on any stock exchange, the same shall, subject to applicable law and regulations, be listed and/or admitted to trading on the relevant stock exchanges in India where the debt securities were listed and/or admitted to trading, on the same terms and conditions, subject to the requirements, if any, imposed by the Stock Exchanges, unless otherwise modified in accordance with applicable law.
- (iii) Where any of the debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations of the Transferor Company as on the Appointed Date deemed to be transferred to the Transferee Company have been discharged by Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.
- (iv) All loans raised or used and all liabilities and obligations incurred by the Transferor Company for the operations of the Transferor Company after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Transferee Company in which the Undertaking shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Transferee Company and shall become the debts, liabilities, duties and obligations of the Transferee Company which shall meet discharge and satisfy the same.
- (v) The Transferor Company may, if required, give notice in such form as it may deem fit and proper to each party, debtor or borrower as the case may be that pursuant to the High Courts sanctioning the Scheme, the said debt, loan, advance, etc. be paid or made good or held on account of the Transferee Company as the person entitled thereto.
- (vi) The Transferee Company may, if required, give notice in such form as it may deem fit and proper to each person, debtor or borrower that pursuant to the High Courts having sanctioned the Scheme, the said person, debtor or borrower shall pay the debt, loan or advance or make good the same or hold the same to its account and that the right of the Transferee Company to recover or realise the same is in substitution of the right of the Transferor Company.
- (vii) The transfer and vesting of the assets comprised in the Undertaking to and in the Transferee Company under this Scheme shall be subject to the mortgages and charges, if any, affecting the same. All encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company which secures or relate to the Liabilities shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company. Provided that if any of the assets of the Transferor Company have not been encumbered in respect of the Liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Transferor Company. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.

(viii) Without prejudice to the provisions of the foregoing Sections and upon the effectiveness of this Scheme, the Transferor Company and the Transferee Company shall execute any instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and / or modification(s) of charge, with the Registrar of Companies having jurisdiction to give formal effect to the above provisions, if required.

(ix) It is expressly provided that no other term or condition of the liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

3.4. Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of this Section 3 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and / or superseded by the foregoing provisions.

3.5. Subject to the terms of this Scheme, the transfer and vesting of the Undertaking of the Transferor Company under this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or concluded after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

4 CONTRACTS, DEEDS AND OTHER INSTRUMENTS

4.1. Upon the coming into effect of this Scheme and subject to all the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, assurances and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect by, for or against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and effectively as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto.

4.2. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite agreements or arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, under the provisions of the Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.

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

5 LEGAL PROCEEDINGS

a) Upon coming into effect of this Scheme all suits, claims, actions and proceedings by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and be enforced by or against the Transferee Company as effectually as if the same had been originally instituted and/or pending and/or arising by or against the Transferee Company.

b) The Transferee Company will undertake to have all legal or other proceedings initiated by or against the Transferor Company referred to in Section 5 (a) above transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.

6 OPERATIVE DATE OF THE SCHEME

This Scheme shall be operative from the Effective Date with effect from the Appointed Date.

7 STANDSTILL PROVISIONS TILL EFFECTIVE DATE

For the period from the Appointed Date and upto the Effective Date:

- (a) All the profits or incomes accruing or arising to the Transferor Company or expenditure or losses arising or incurred (including the effect of taxes, if any, thereon) of the Transferor Company shall, for all purposes be treated and be deemed to be and accrued as the profits or incomes or expenditure or losses or taxes, as the case may be, of the Transferee Company.
- (b) All taxes (including income tax, sales tax, excise duty, customs duty, service tax, VAT, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the business before the Appointed Date, shall be on account of the Transferor Company and, insofar as it relates to the tax payment (including, without limitation, sales tax, excise duty, custom duty, income tax, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of its business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- (c) Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of and as agent for the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Undertaking that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken or discharged for and on behalf of and as agent for the Transferee Company.
- (d) The conduct of business of the Transferor Company and the Transferee Company in the period between the date of this Scheme and the Effective Date shall be as agreed in writing between the Transferor Company and the Transferee Company in the transaction agreement.

8 ISSUE OF CONSIDERATION BY THE TRANSFEE COMPANY

- 8.1 Upon the effectiveness of the Scheme, in consideration of the transfer of and vesting of the Undertaking of the Transferor Company in the Transferee Company and in terms of the Scheme, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of the Transferor Company (whose names are registered in the Register of Members of the Transferor Company on the Record Date, or his /her/its legal heirs, executors or administrators or, as the case may be, successors), equity shares of face value Re. 1/- (Rupees One) each credited as fully paid up of the Transferee Company in the ratio of 0.80 equity shares of the face value of Re. 1/- (Rupees One) each of the Transferee Company for every 1.00 equity share of Rs. 5/- (Rupees Five) credited as fully paid-up held on the Record Date by such equity shareholders or their respective legal heirs, executors or administrators or, as the case may be, successors in the Transferor Company (the **"New Equity Shares"**).
- 8.2 Where New Equity Shares are to be allotted to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of the Transferor Company, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of the Transferee Company.
- 8.3 The ratio in which equity shares of the Transferee Company are to be issued and allotted to the shareholders of the Transferor Company is herein referred to as the **"Share Exchange Ratio"**. In the event of any increase in the issued, subscribed or paid up share capital of the Transferee Company or issuance of any instruments convertible into equity shares or restructuring of its equity share capital including by way of share split/consolidation/issue of bonus shares, free distribution of shares or instruments convertible into equity shares or other similar action in relation to the share capital of the Transferee Company at any time before the Record Date, the Share Exchange Ratio shall be adjusted appropriately to take into account the effect of such issuance or corporate actions and assuming conversion of any such issued instruments convertible into equity shares.
- 8.4 New Equity Shares issued in terms of the Scheme shall, in compliance with the applicable regulations, be listed and/or admitted to trading on the relevant stock exchange(s) in India where the equity shares of Transferee Company are listed and admitted to trading. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of such stock exchanges. The New Equity Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are provided by the relevant stock exchanges.
- 8.5 In so far as the equity shares of the Transferor Company held by the Transferee Company or its subsidiaries or its limited liability partnerships are concerned, if any, on the Effective Date such shares shall stand cancelled and to that extent the Transferee Company is required to issue less number of shares.

- 8.6 Upon the New Equity Shares being issued and allotted to the shareholders of Transferor Company, the shares held by the said members of Transferor Company, whether in the physical form or in the dematerialized form, shall be deemed to have been automatically cancelled and be of no effect, without any further act, deed or instrument.
- 8.7 In so far as New Equity Shares are concerned, the same will be distributed in dematerialized form to the equity shareholders of Transferor Company, provided all details relating to the account with the depository participant are available to Transferee Company. All those equity shareholders who hold equity shares of Transferor Company and do not provide their details relating to the account with the depository participant will be distributed New Equity Shares in the physical/ certificate form unless otherwise communicated in writing by the shareholders on or before such date as may be determined by the board of Transferee Company or committee thereof.
- 8.8 Upon the coming into effect of the Scheme, the New Equity Shares of Transferee Company to be issued and allotted to the members of the Transferor Company as provided in the Scheme shall be subject to the provisions of the memorandum of association and articles of association of the Transferee Company and shall rank *pari passu* from the date of allotment in all respects with the existing equity shares of Transferee Company including entitlement in respect of dividends. The issue and allotment of New Equity Shares by the Transferee Company to the members of the Transferor Company as provided in this Scheme is an integral part hereof and shall be deemed to have been carried out pursuant to the Act.
- 8.9 No fractional certificates, entitlements or credits shall be issued or given by the Transferee Company in respect of the fractional entitlements, if any, to which the shareholders of the Transferor Company are entitled on the issue and allotment of equity shares by the Transferee Company in accordance with this Scheme. If any members of the Transferor Company have a shareholding such that such members become entitled to a fraction of a New Equity Share, the Board of Directors of the Transferee Company shall consolidate all such fractional entitlements to which the shareholders of the Transferor Company may be entitled on issue and allotment of the equity shares of the Transferee Company as aforesaid and shall, without any further application, act, instrument or deed, issue and allot such fractional entitlements directly to a nominee to be appointed by the board of directors of the Transferee Company, who shall hold such fractional entitlements with all additions or accretions thereto in trust for the benefit of the respective shareholders to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such fractional entitlements in the market at such price or prices and at such time or times as the nominee may in its sole discretion decide and on such sale pay to the Transferee Company the net sale proceeds thereof and any additions and accretions, whereupon the Transferee Company shall, subject to withholding tax and expenses, if any, distribute such sale proceeds to the concerned shareholders of the Transferor Company in proportion to their respective fractional entitlements.
- 8.10 Subject to receipt of such approvals, consents and sanctions as may be necessary under applicable law, in so far as it pertains to outstanding GDRs, if any:
- (a) The Board of Directors of the Transferee Company may elect, in its sole discretion to:
 - (i) **Equity Option:** Effect the exchange and cancellation of the GDRs for a proportional number of equity shares of the Transferee Company based on the Share Exchange Ratio;
 - (ii) **Cash-out Option:** Cash out existing GDR holders following the effectiveness of the Scheme.
 - (b) If the Transferee Company elects the Cash-out Option for the GDR holders, then the equity shares issued by the Transferee Company to the Depository which represent the entitlement of the GDR holders shall be sold by the Depository in the open market and the net sales proceeds (after the deduction of taxes and expenses incurred) shall be distributed by the Depository to the GDR holders in the same proportion as their entitlements.
 - (c) If the Transferee Company determines that the Equity Option and the Cash-out Option cannot be effected for any reason, the Transferee Company shall ensure that this does not delay implementation of the Scheme, and shall, in consultation with the Transferor Company, take all such actions as may be necessary to, upon effectiveness of the Scheme, issue or remit consideration in lieu of or in respect of the GDRs under this Scheme as per the Share Exchange Ratio to the GDR holders in a compliant manner, without delay to the sanction or effectiveness of the Scheme.
 - (d) The Transferee Company, the Transferor Company and/or the Depository shall enter into such documents and take such actions as may be deemed necessary or appropriate to give effect to the above options or any other option adopted pursuant to (c) above.

- (e) The Transferee Company shall keep the Transferor Company regularly informed of the option it is electing and the status of the same, and consult with the Transferor Company in good faith in this regard, and shall keep the Transferor Company regularly informed of and invite the Transferor Company to all discussions with the Depository the custodian, any stock exchanges or Governmental Authority, in this regard.

8.11 ESOPs:

- (a) Upon the effectiveness of the Scheme, the Transferee Company shall issue stock options ("**Transferee Options**") to employees of the Transferor Company holding Transferor Options ("**Eligible Employees**") which shall entitle the Eligible Employees to purchase equity shares of the Transferee Company. The number of Transferee Options issued shall equal the product of the number of Transferor Options (whether vested or unvested) outstanding at the time of the effectiveness of the Scheme multiplied by the Share Exchange Ratio, with any fractional shares rounded down to the next higher whole number of shares (i.e. for every Transferor Option held by an Eligible Employee which entitles such eligible employee to acquire 1.00 equity share in the Transferor Company, such Eligible Employee will be conferred a Transferee Option to acquire 0.80 equity shares in the Transferee). The terms and conditions applicable to the Transferee Options shall be no less favourable than those provided under the ESOP Schemes. Such Transferee Options will be issued under a new employee stock option scheme created by the Transferee Company inter alia for the purpose of granting stock options to the Eligible Employees pursuant to the Scheme ("**Transferee ESOP Scheme**").
- (b) Each Transferee Option shall have an exercise price per equity share of the Transferee Company equal to the quotient of the Transferor Option exercise price per equity share of the Transferor Company divided by the Share Exchange Ratio (rounded up to the nearest higher whole cent).
- (c) Prior to the Scheme becoming effective, the ESOP Schemes shall be amended to provide for immediate and full accelerated vesting of all Transferor Options held by an employee if such employee's employment is terminated by the Transferee Company within 12 (twelve) months following effectiveness of the Scheme. The Transferee ESOP Scheme shall make appropriate equivalent provisions for such accelerated vesting of the Transferee Options granted by it to the Eligible Employees pursuant to this Scheme. Any stock option that becomes vested in accordance with the preceding sentence shall remain exercisable for no less than three months following such termination of employment.
- (d) The grant of stock options to the Eligible Employees pursuant to the provisions of this Scheme, including this Section 8, shall be effected as an integral part of the Scheme and the consent of the shareholders of the Transferor Company and the Transferee Company to the Scheme shall be deemed to be their consent in relation to all matters pertaining to the ESOP Schemes and the Transferee ESOP Schemes, including without limitation, for the purposes of creating the Transferee ESOP Schemes, modifying the ESOP Schemes and/ or the Transferee ESOP Scheme, modifying the exercise price of the stock options under the ESOP Schemes and all related matters. No further approval of the shareholders of the Transferor Company or the Transferee Company would be required in this connection under any applicable law.
- (e) In relation to the Transferee Options granted by the Transferee Company to the Eligible Employees pursuant to this Scheme, in lieu of the Transferor Options granted to them under the ESOP Schemes, the period during which the Transferor Options were held by or deemed to have been held by the Eligible Employees shall be taken into account for determining the minimum vesting period required under applicable law, the ESOP Schemes and the Transferee ESOP Schemes.
- (f) Subject to applicable laws, the adjustments to the exercise price per option and option entitlement of the Eligible Employees proposed under this Section shall be appropriately reflected in the accounts of the Transferee Company.
- (g) The Boards of Directors of the Transferor Company and the Transferee Company shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Section 8.11 of the Scheme.

- 8.12 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of Directors of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Transferor Company, after the effectiveness of this Scheme. The New Equity Shares to be issued by the Transferee Company pursuant to this Scheme in respect of any equity shares of the Transferor Company which are held in abeyance under the provisions of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Transferee Company.

8.13 The New Equity Shares (and, if applicable, global depository receipts) of the Transferee Company issued pursuant to this Scheme, including and where applicable, without limitation, the equity shares relating to the GDRs shall not be registered under the United States Securities Act of 1933, as amended (the **"Securities Act"**) in reliance upon the exemption under Section 3(a)(10) of the Securities Act. The sanction of the High Courts to this Scheme will be relied upon for the purpose of qualifying the issuance and distribution of the equity shares of the Transferee Company issued pursuant to this Scheme, including and where applicable, without limitation, the equity shares relating to the GDRs (and, if applicable, global depository receipts) for such an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof.

9 REDUCTION OF CAPITAL AND RESERVES AND SURPLUS OF THE TRANSFEROR COMPANY

9.1 An amount equal to the balance lying to the debit in statement of profit and loss in the books of the Transferor Company on the close of 31st day of March, 2014, shall be, in the books of the Transferor Company, adjusted/reduced as follows in accordance with provisions of sections 391 to 394, sections 78 and 100 to 103 of the Companies Act, 1956 and section 52 of the Companies Act, 2013 and any other applicable provisions of law:

- a. Firstly, against reduction of Capital Reserve Account of the Transferor Company amounting to INR 176.20 crores. (Rupees one hundred seventy six crores and twenty lacs only);
- b. Secondly, against reduction of Securities Premium Account of the Transferor Company amounting to INR 3501.48 crores. (Rupees three thousand five hundred one crore and forty eight lacs only);
- c. Thirdly, against reduction of the General Reserve of the Transferor Company amounting to INR 551.92 (Rupees five hundred and fifty one crores and ninety two lacs only), to the extent available or required;
- d. The balance, if any, remaining in the debit in statement of profit and loss in the books of the Transferor Company shall be carried in the books of the Transferor Company as on 31st March, 2014.

9.2 For giving effect to the above provisions, the permission from the Equity Shareholders of the Transferor Company shall be deemed to have been received as contemplated by the Act and other related provisions on this Scheme being approved by members of the Transferor Company at the court convened meeting or otherwise.

9.3 The reduction in the Securities Premium Account and / or Capital Reserve Account and / or General Reserve as aforesaid, if any, of the Transferor Company shall be effected as an integral part of the Scheme itself as the same does not involve either diminution of liability in respect of unpaid Share Capital or payment to any shareholder of any unpaid Share Capital and the order of the Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act (including corresponding applicable provisions of the Companies Act, 2013) confirming the reduction of Securities Premium and / or Capital Reserve Account and / or General Reserve. Such a reduction shall be deemed to be effective on and from the close of 31st March, 2014. The Transferor Company nor the Transferee Company shall not be required to add "and reduced" as a suffix.

10 ACCOUNTING TREATMENTS OF ASSETS, LIABILITIES AND RESERVES AND SURPLUS OF THE TRANSFEROR COMPANY IN THE BOOKS OF THE TRANSFEE COMPANY

10.1 Recognising that the amalgamation is to be considered as an "amalgamation in the nature of merger" in accordance with the provisions of paragraph 29 of Accounting Standard 14 - "Accounting for Amalgamations" (AS-14) as notified under the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs), the accounting treatment in respect of assets, liabilities and reserves and surplus of the Transferor Company in the books of the Transferee Company shall be governed by, the provisions of AS-14, "the Pooling of Interests Method". Accordingly, all the assets and liabilities of the Transferor Company shall be recorded at their existing carrying amounts and in the same form as at the Appointed Date in the books of the Transferee Company.

10.2 As on the Appointed Date, the reserves, surplus and balance in the statement of profit and loss of the Transferor Company (after the immediately preceding adjustment/ reduction of the debit balance of profit and loss account as per clause 9 above), if any, will be aggregated with the respective reserves, surplus and balance in the statement of profit and loss of the Transferee Company in the same form as they appeared in the financial statements of the Transferor Company.

10.3 An amount equal to the balance lying to the credit / debit of the Statement of Profit and Loss in the books of the Transferor Company (after the immediately preceding adjustment/ reduction of the debit balance of profit and loss account as per clause 9

above), if any, shall be credited / debited by the Transferee Company to the balance of its statement of profit and loss and shall constitute (or reduce, as the case may be) the Transferee Company's free reserves.

- 10.4 An amount equal to the balance lying to the credit of Securities / Share Premium Account in the books of the Transferor Company (after the immediately preceding adjustment/ reduction of the debit balance of profit and loss account as per clause 9 above), if any, shall be credited by the Transferee Company to its Securities / Share Premium Account and shall constitute the Transferee Company's Securities / Share Premium Account.
- 10.5 The face value of equity shares issued by the Transferee Company to the shareholders of the Transferor Company will be recorded as equity share capital of the Transferee Company. The excess of the amount recorded as share capital issued by the Transferee Company over the amount of share capital of the Transferor Company will be reduced from General Reserve Account. In case of excess of the amount of share capital of the Transferor Company over the amount recorded as share capital issued by the Transferee Company will be credited to Capital Reserve Account.
- 10.6 In case of any difference in accounting policies of the Transferee Company and the Transferor Company, the impact of the same, till the Appointed Date will be quantified and the same shall be appropriately adjusted and reported in accordance with applicable Accounting Standards so as to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policies.

11 DIVIDEND

From the date of filing the Scheme to the Effective Date:

- (a) except as expressly contemplated or permitted by any provision of the transaction agreement, as required by applicable law or with the prior written consent of the Transferee Company (which consent shall not be unreasonably withheld, conditioned or delayed), the Transferor Company shall not declare/or pay dividends or other distribution payable in cash, stock, property or otherwise, with respect to any of its capital stock,
- (b) The Transferor Company, except as mentioned otherwise in this Scheme or pursuant to the ESOP Schemes, shall not issue or allot any shares, right shares, or bonus shares or any other security converting into equity or other share capital or obtain any other financial assistance converting into equity or other share capital, unless agreed to by the Board of Directors of the Transferee Company.
- (c) except as expressly contemplated or permitted by any provision of the transaction agreement, as required by applicable law or with the prior written consent of the Transferor Company (which consent shall not be unreasonably withheld, conditioned or delayed), the Transferee Company shall not declare/or pay dividends or other distributions payable in cash, stock, property or otherwise, with respect to any of its capital stock, except for dividends which are paid on dates and in amounts consistent with past practice and not exceeding 30% of the previous year's consolidated net profit on the equity shares of the Transferee paid in cash.
- (d) Until the coming into effect of this Scheme, the holders of equity shares of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing respective rights under their respective Articles of Association. It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Transferor Company and the Transferee Company and subject, wherever necessary, to the approval of the shareholders of the Transferor Company and the Transferee Company, respectively.

12 BRANDS AND TRADEMARK

Upon the effectiveness of the Scheme, the Transferee Company will be entitled to all the brands and trademarks of the Transferor Company including registered and unregistered trademarks along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights, trademarks and all such other industrial or intellectual rights of whatsoever nature. The Transferee Company may take such actions as may be necessary and permissible to get the same transferred and / or registered in the name of the Transferee Company.

13 TRANSFEROR COMPANY EMPLOYEES

- (a) Upon the Scheme coming into effect and with effect from the Appointed Date, all permanent employees (including deputed employees) of the Transferor Company, shall become employees of the Transferee Company on such date as if they were in continuous service without any break or interruption in service, and on terms and conditions as to employment and remuneration not less favourable than those on which they are engaged or employed by the Transferor Company, so as to become as and from the Appointed Date, the employees of the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement/settlement, if any, validly entered into by the Transferor Company with any union/employee of the Transferor Company recognized by the Transferor Company.
- (b) Without prejudice to the provisions of this Scheme and the rights and obligations of the Transferee Company under applicable law, for a period of 12 months after the Scheme comes into effect, (the “**Relevant Period**”), the Transferee Company shall provide (or cause its subsidiaries to provide) each such employee of the Transferor Company whose employment was transferred to the Transferee Company pursuant to this Scheme (each, a “**Transferred Employee**”) with compensation and benefits that are substantially comparable in the aggregate economically to the compensation and benefits provided to such Transferred Employee immediately prior to the Scheme coming into effect; *provided, however*, that during the Relevant Period there shall be no decrease in a Transferred Employee’s base salary or base wage rate in effect immediately prior to the Scheme coming into effect. To the extent that: (i) the applicable law of any jurisdiction; (ii) any collective bargaining agreement, works council agreement or similar agreement; or (iii) any employment agreement would require the Transferee Company to provide any more favorable terms of employment to any Transferred Employee than those provided in the preceding sentence, the Transferee Company shall provide (or cause its subsidiaries to provide) such more favorable term, and otherwise provide terms of employment in accordance with the preceding sentence.
- (c) It is provided that so far as the provident fund, gratuity fund, or any other special scheme(s)/ fund(s), or other benefits if any, created or existing for the benefit of the existing or past employees of the Transferor Company are concerned, upon the coming into effect of this Scheme, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever related to the administration or operation of such schemes, funds or benefits or in relation to the obligation to make contributions to the said schemes, funds or in respect of such benefits in accordance with provisions of such schemes, funds or benefits as per the terms provided in the respective trust deeds or employee benefit plans or policies, to the end and intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such schemes, funds or benefits shall become those of the Transferee Company. Without prejudice to the generality of the foregoing, any such funds and the investments made out of such funds shall, at an appropriate stage, be transferred to the Transferee Company to be held for the benefit of the concerned employees. Such funds shall, subject to the necessary approvals and permission and at the discretion of the Transferee Company, either be continued as separate funds of the Transferee Company for the benefit of the employees of the Transferor Company or be transferred to and merged with other similar funds of the Transferee Company. In the event that the Transferee Company does not have its own fund with respect to any such funds of the Transferor Company, the Transferee Company may, subject to necessary approvals and permissions, continue to maintain the existing funds separately and contribute thereto, until such time as the Transferee Company creates its own funds at which time the funds and the investments and contributions pertaining to the employees of the Transferor Company shall be transferred to such funds of the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of the aforesaid schemes, funds, benefit plans or policies. The Transferor Company and the Transferee Company shall undertake all the necessary steps and / or formalities as may be required to be carried out be done by the for transfer of such fund/ assets/value, etc. to the Transferee Company in this regard.

14 DISSOLUTION OF THE TRANSFEROR COMPANY AND VALIDITY OF RESOLUTIONS

- 14.1 Upon the effectiveness of this Scheme, the Transferor Company shall be dissolved without winding up, and the Board of Directors and any committees thereof of the Transferor Company shall without any further act, instrument or deed be and stand dissolved.
- 14.2 Upon the coming into effect of this Scheme, the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

15 AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE TRANSFEREE COMPANY

15.1 Increase of authorised share capital

- (a) As an integral part of Scheme, and, upon coming into effect of the Scheme, the authorized share capital of the Transferor Company, as on the Effective Date, shall be added to the authorized share capital of the Transferee Company, as on the Effective Date, without any further act or deed and without any further payment of the stamp duty or the registration fees and Clause V of the memorandum of association of the Transferee Company and Article 4 of the articles of association of the Transferee Company shall be altered accordingly.
- (b) Clause V of the memorandum of association of the Transferee Company shall, without any further act or deed, be substituted by the following clause:
- v. *The Authorized Share Capital of the Company is Rs. 6,000,000,000 (Rupees Six Billion Only) divided into 5,990,000,000 (Five Billion Nine Hundred Ninety Million) Equity Shares of Rs. 1 (Rupee One Only) and 100,000 (One Hundred Thousand) preference shares of face value Rs. 100 (Rupees One Hundred Only) each, with power to classify or reclassify, increase or reduce such capital from time to time and power to divide the shares in the capital for the time in accordance with the Regulations of the Company and the legislative provisions for the time being in force in this behalf and with the power to divide the share capital for the time being into several classes and to attach thereto respectively preferential, qualified or special rights, privileges or conditions including as to voting and to vary, modify, or abrogate the same in such manner as may be permitted by the Act or as may for time to time being be provided for by these presents and the Articles of Association of the Company.*
- (c) Article 4 of the articles of association of the Transferee Company shall, without any further act or deed, be substituted by the following article:
4. *The Authorized Share Capital of the Company is Rs. 6,000,000,000 (Rupees Six Billion Only) divided into 5,990,000,000 (Five Billion Nine Hundred Ninety Million) Equity Shares of Rs. 1 (Rupee One Only) and 100,000 (One Hundred Thousand) preference shares of face value Rs. 100 (Rupees One Hundred Only) each, with power to classify or reclassify, increase or reduce such capital from time to time and power to divide the shares in the capital for the time in accordance with the Regulations of the Company and the legislative provisions for the time being in force in this behalf and with the power to divide the share capital for the time being into several classes and to attach thereto respectively preferential, qualified or special rights, privileges or conditions including as to voting and to vary, modify, or abrogate the same in such manner as may be permitted by the Act or as may for time to time being be provided for by the Articles of Association of the Company.*
- (d) Pursuant to this Scheme, the Transferee Company shall file the requisite forms with the Registrar of Companies for alteration of its authorized share capital.
- (e) Under the accepted principle of single window clearance, it is hereby provided that the amendment in Section 15.1 shall become operative on the Scheme being effective by virtue of the fact that the shareholders of the Transferee Company, while approving the Scheme as a whole, have approved and accorded the relevant consents as required under the Act and shall not be required to pass separate resolutions as required under the Act. For this purpose, the filing fees and stamp duty already paid by the Transferor Company on its authorised share capital shall be utilized and applied to the increased share capital of the Transferee Company, and shall be deemed to have been so paid by the Transferee Company on such combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fees / stamp duty on the authorised share capital so increased.

15.2 Director Nomination, Management Indemnification

As an integral part of the Scheme, and, upon coming into effect of the Scheme:

- (a) The Transferee Company shall cause to be duly appointed to its board of directors as a non-executive director 1 (one) individual designated in writing by Daiichi Sankyo Company Ltd ("**DSC**"), the holding company of the Transferor Company. Such a right to nominate a nominee on the board of the Transferee Company shall terminate permanently at the instance that DSC's shareholding in Transferee Company falls below 5% of equity shares of Transferee Company. Such an obligation on the Transferee Company shall come into effect from the Effective Date without any further act or deed.

- (b) The following Article shall be included, substantially in the form below, in the articles of association of the Transferee Company, without any further act or deed, without any further payment of the stamp duty or registration fees:

“As promptly as practicable following the effectiveness of the Scheme, the Company shall cause to be duly appointed to its board of directors as a non-executive director 1 (one) individual designated in writing by Daiichi Sankyo Company Ltd (“DSC”).

From the Effective Date and for so long as DSC and its controlled affiliates continue to beneficially own an aggregate of at least 5% (the “Minimum Percentage”) of the outstanding equity shares of the Company, at each election of directors at which the term of the DSC nominated director will expire (or at each election of directors during which time no DSC nominated director sits on the board of the Company), the board of directors of the Company shall recommend for election to the board of directors of Sun one nominee who will be designated by DSC.

At the first instance that DSC and its controlled affiliates cease to own, in the aggregate, the Minimum Percentage of the outstanding equity shares of the Company, then DSC right to nominate the DSC Director pursuant to this Article shall terminate permanently.

The individual nominated by DSC must be eligible for appointment in accordance with applicable Laws and must meet any general director qualification requirements applied to all director nominees on the Board of Directors of the Company on a consistent basis.”

Such amendment shall become operative on the Scheme being effective by virtue of the fact that the shareholders of the Transferee Company, while approving the Scheme as a whole, have approved and accorded the relevant consents as required under the Act and shall not be required to pass separate resolutions as required under the Act;

- (c) for six years after the Effective Date, Transferee Company shall indemnify and hold harmless each present or former officer or director of Ranbaxy Laboratories Limited or any of its subsidiaries, which officer or director who would have been indemnified as on the Effective Date, and to such extent under policies of the Transferor Company and its subsidiaries, in the manner and to the extent mutually agreed between Transferor Company and Transferee Company;
- (d) for six years after the Effective Date, the Transferee Company shall maintain in effect provisions in its memorandum and articles of association or equivalent organizational documents (or in such documents of any successor to the business of the Transferee Company) regarding elimination of liability of directors, indemnification of officers, directors and employees and advancement of expenses that are no less advantageous to the intended beneficiaries than the corresponding provisions in existence in the memorandum of association and articles of association of the Transferor Company as of the date of this Agreement;
- (e) the Transferee Company shall obtain such directors’ and officers’ liability coverage of the Transferee Company’s existing directors’ and officers’ insurance policies as is mutually agreed between the Transferee Company and Transferor Company.

16 APPLICATION TO THE HIGH COURT

- 16.1 The Transferor Company shall make all applications/petitions under Sections 391 to 394 and other applicable provisions of the Act to the High Court of Punjab and Haryana for sanctioning of this Scheme and for dissolution of the Transferor Company without winding up under the provisions of Act and to obtain all approvals as may be required under law.
- 16.2 The Transferee Company shall also make all applications/petitions under Sections 391 to 394 and other applicable provisions of the Act to the High Court of Gujarat for sanctioning of this Scheme under the provisions of Act and to obtain all approvals as may be required under law.

17 MODIFICATIONS, AMENDMENTS TO THE SCHEME

- 17.1 If at any time the High Court or any regulatory authority, including the stock exchanges or SEBI, suggests or requires material modifications or amendments to the Scheme, such modifications or amendments shall not be binding on the Transferor Company and the Transferee Company except with their prior consent (which consent shall not be unreasonably withheld by any party); provided, however, that where any modification or amendment relates to severance or non-approval of any part of the Scheme, which part is capable of otherwise being lawfully performed in accordance with the agreement between the Transferor Company and Transferee Company, the Transferor Company and Transferee Company shall perform such part accordingly.

17.2 Subject to the foregoing, the Transferor Company (by any of their respective Directors) and the Transferee Company (by any of its Directors):

- (i) may in its full and absolute discretion assent from time to time on behalf of all persons concerned to any modifications or amendments or addition to this Scheme or to any conditions or limitations which the High Court(s) or any authorities under the Law may deem fit to approve of or impose and / or to resolve any doubt or difficulties that may arise for carrying out this Scheme and to do and execute all such acts, deeds, matters and things as may be necessary, desirable or proper for carrying the Scheme into effect.
- (ii) are authorised to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect, and/or give such consents as may be required in terms of this Scheme;
- (iii) for the purpose of giving effect to this Scheme or to any modifications or amendments thereof, may give and are authorised to give all such directions that are necessary or are desirable including directions for settling any doubts or difficulties that may arise.
- (iv) mutually agree to modify any of the terms of this Scheme in future to settle any of the difficulties or to implement the provisions of this Scheme smoothly and hassle free manner, if such need arises and for all purposes the Effective Date for such subsequent modified scheme shall be the same as specified in this Scheme.

18 SCHEME CONDITIONAL UPON APPROVALS/SANCTIONS

This Scheme is conditional upon and subject to:

- (a) each of the following approvals, clearances or permissions having been obtained or where applicable, the waiting periods or time periods specified below having expired or been terminated:
 - (i) any waiting period (and any extension thereof) applicable to the consummation of the amalgamation as contemplated herein under the Hart-Scott-Rodino Antitrust Improvements Act, 1976 of the United States of America having expired or been otherwise terminated;
 - (ii) approval from the Competition Commission of India shall have been granted or deemed to have been granted through the expiration of time periods available for the Competition Commission of India's investigation provided under the Competition Commission of India (Procedure in regard to the transaction of business relating to combination) Regulation 2011 as amended;
 - (iii) receipt of any approvals, or the clearance of any waiting period under any other applicable antitrust or competition law, the failure of which to be obtained would be material to the Transferee Company after the Effective Date;
 - (iv) the approval of the Foreign Investment Promotion Board (FIPB) and/ or the Reserve Bank of India, if required under applicable laws, rules and regulations.
- (b) The Scheme being agreed to by the requisite majority of the respective classes of members and/or creditors of each of the Transferor Company and the Transferee Company as required under the Act and requisite orders of the High Courts being obtained; and
- (c) The certified copy of the orders of the High Court(s) sanctioning the Scheme being filed with the respective Registrar of Companies having jurisdiction;
- (d) Certificates signed by senior officers of the Transferor Company and the Transferee Company being exchanged between the Transferor Company and the Transferee Company which shall, inter alia, confirm all other conditions precedent to the transaction agreement (as entered into between the Transferor Company and the Transferee Company) have been fulfilled or otherwise waived in accordance with its terms.

19 TAXES/ DUTIES / CESS ETC.

- (a) The Transferee Company will be successor of the Transferor Company. The unutilized credits relating to excise duties paid on inputs lying to the account of Transferor Company as well as the unutilized credits relating to Service Tax paid on input

services consumed by the Transferor Company shall be transferred to the Transferee Company automatically without any specific approval or permission as an integral part of the Scheme.

- (b) Income taxes of whatsoever nature including advance tax, self-assessment tax, regular assessment taxes, tax deducted at source, Alternative Minimum Tax, Minimum Alternative Tax, wealth tax, if any, paid by the respective Transferor Company shall be treated as paid by the Transferee Company and it shall be entitled to claim the credit, refund, adjustment for the same as may be applicable. MAT credit available with the Transferor Company under Income Tax Act, 1961, if any, shall be available to the Transferee Company.
- (c) If any of the Transferor Company is entitled to any benefits under incentive schemes and policies, it is declared that the benefits under all such incentive schemes and policies shall be transferred to and vested in the Transferee Company. The Transferee Company shall be entitled to deduction of book losses or depreciation, whichever is lower, (if any) for the purpose of calculation of MAT for the Transferee Company.
- (d) Upon this Scheme being effective, the Transferee Company is expressly permitted to revise and file its income tax returns and other statutory returns, including tax deducted / collected at source returns, service tax returns, excise tax returns, sales tax / VAT returns, as may be applicable and has expressly reserved the right to make such provision in its returns and to claim refunds or credits etc. if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired.

20 EFFECT OF NON-RECEIPT OF APPROVAL/SANCTION

In the event any of the conditions, sanctions and/or approvals referred to in the preceding Section 19 above have not been satisfied or obtained, as the case may be, and/or the Scheme has not been sanctioned by the High Court(s) and/or the Order(s) has not been passed as aforesaid on or before July 6, 2015, or such other date as mutually agreed by the Transferee Company and the Transferor Company ("**Long Stop Date**"), either the Transferor Company or the Transferee Company may opt to terminate this Scheme. If the Transferor Company and the Transferee Company jointly opt to withdraw\terminate this Scheme, this Scheme shall stand revoked, cancelled and be of no effect, and in that event no rights and liabilities whatsoever shall accrue to or be incurred or claimed inter se by the parties or their shareholders or creditors or employees or any other person. Provided however, that the right to terminate this Scheme shall not be available: (i) to the Transferor Company, if the Transferor Company's failure to fulfil any obligation mutually agreed with the Transferee Company shall have been the cause of, or shall have resulted in, the failure of the Effective Date to occur on or prior to the Long Stop Date; and (ii) to the Transferee Company, if the Transferee Company's failure to fulfil any obligation mutually agreed with the Transferor Company shall have been the cause of, or shall have resulted in, the failure of the Effective Date to occur on or prior to the Long Stop Date.

21 SEVERABILITY

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

22 EXPENSES CONNECTED WITH THE SCHEME

All costs, charges and expenses, including any taxes and duties of the Transferor Company and the Transferee Company respectively in relation to or in connection with or incidental to this Scheme and of carrying out and completing the terms of this Scheme shall be respectively borne and paid by the Transferor Company and the Transferee Company. Stamp duty on the orders of the High Courts, if any and to the extent applicable, shall be borne and paid by the Transferee Company.



April 6, 2014

The Board of Directors
Sun Pharmaceutical Industries Ltd.
Acme Plaza
Andheri – Kurla Road
Andheri (E)
Mumbai – 400 059
India

The Board of Directors:

You have requested our opinion as to the fairness, from a financial point of view, to Sun Pharmaceutical Industries Limited, an Indian public limited company (“Sun Pharma”), of the Exchange Ratio (defined below) for an amalgamation between Sun Pharma and Ranbaxy Laboratories Limited, an Indian public limited company (“Ranbaxy”), whereby Ranbaxy will be amalgamated with and into Sun Pharma by way of a scheme of amalgamation conducted pursuant to the Companies Act 1956 (the “Amalgamation”), with Sun Pharma as the surviving entity of the Amalgamation. Pursuant to the Amalgamation, 0.800 (the “Exchange Ratio”) of an equity share, INR 1 per share, of Sun Pharma (“Sun Pharma Equity Shares”) will be issued for each outstanding equity share, INR 5 per share, of Ranbaxy (“Ranbaxy Equity Shares”).

In arriving at our opinion, we reviewed (i) a draft, dated April 5, 2014, of the Transaction Agreement proposed to be entered into between Sun Pharma and Ranbaxy (the “Agreement”), including the Scheme of Amalgamation (the “Scheme”) attached as Exhibit A thereto, and certain related documents and (ii) a draft, dated April 6, 2014, of the valuation report (the “Valuation Report”) prepared by S.R. Batliboi & Co. LLP (“SRBC India”), the valuer appointed by Sun Pharma, which, as of the date hereof, has recommended the Exchange Ratio. We held discussions with certain senior officers, directors and other representatives and advisors of Sun Pharma and certain senior officers and other representatives and advisors of Ranbaxy concerning the businesses, operations and prospects of Sun Pharma and Ranbaxy. We reviewed certain publicly available and other business and financial information relating to Sun Pharma and Ranbaxy provided to or discussed with us by the respective managements of Sun Pharma and Ranbaxy, including financial and other information and data relating to Sun Pharma prepared or otherwise provided to or discussed with us by the management of Sun Pharma and financial and other information and data relating to Ranbaxy prepared or otherwise provided to or discussed with us by the managements of Ranbaxy and Sun Pharma as well as certain information relating to potential strategic implications and cost savings and other operational benefits (including the amount, timing and achievability thereof) anticipated by the management of Sun Pharma to result from the Amalgamation (collectively, the “Synergies”). We reviewed the financial terms of the Amalgamation as set forth in the Agreement in relation to, among other things: current and historical market prices and trading volumes of Sun Pharma Equity Shares and Ranbaxy Equity Shares; the historical and projected earnings and other operating data of Sun Pharma and Ranbaxy; and the capitalization and financial condition of Sun Pharma and Ranbaxy. We analyzed certain financial, stock market and other publicly available information relating to the businesses of other companies whose operations we considered relevant in evaluating those of Sun Pharma and Ranbaxy. We also evaluated certain potential pro forma financial effects of the Amalgamation on Sun Pharma utilizing financial and other information and data (including, without limitation, the Synergies) provided to or discussed with us by the managements of Sun Pharma and Ranbaxy. In addition to the foregoing, we conducted such other



analyses and examinations and considered such other information and financial, economic and market criteria as we deemed appropriate in arriving at our opinion. As you are aware, we have not considered precedent transactions for purposes of our analyses and opinion given, in our view, the lack of sufficient comparability of such transactions with the proposed Amalgamation. The issuance of our opinion has been authorized by our fairness opinion committee. Some of the discussions, evaluations, review and analyses referred to in this opinion have been undertaken by our affiliate, Citigroup Global Markets Inc. ("CGMI"), and we have relied on the same in providing our opinion and references to "we" or "us" in relation to such discussions, evaluations, review and analyses should be read as references to include CGMI.

In rendering our opinion, we have assumed and relied, without independent verification, upon the accuracy and completeness of all financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with us and upon the assurances of the managements of Sun Pharma and Ranbaxy that they are not aware of any relevant information that has been omitted or that remains undisclosed to us or CGMI. With respect to the financial and other information and data utilized in our analyses, we have been advised by the managements of Sun Pharma and Ranbaxy and, with your consent, we have assumed that they were reasonably prepared on bases reflecting the best currently available estimates and judgments of the managements of Sun Pharma and Ranbaxy, as the case may be, as to the future financial performance of Sun Pharma and Ranbaxy, the potential pro forma effects of the Amalgamation (including the amount, timing and achievability of the Synergies) and the other matters covered thereby and, for purposes of our analyses and opinion, we have relied on such financial and other information and data after giving effect to the Synergies. We also have been advised and we have assumed, with your consent, that the Indian Rupees to U.S. Dollars exchange rate reflected in such financial and other information and data is reasonable to utilize for purposes of our analyses and opinion. We further have assumed, with your consent, that the financial results (including the Synergies) reflected in such financial and other information and data will be realized in the amounts and at the times projected. With respect to the Valuation Report, we have assumed, with your consent, that it has been reasonably prepared in good faith on bases reflecting the best currently available estimates and judgments of SRBC India. We have not independently verified or validated, nor do we express any view or opinion on, the financial, market, technical or operating forecasts and other information or data provided to or otherwise reviewed by or discussed with us, or the views of the respective managements of Sun Pharma and Ranbaxy as to the future businesses, operations and prospects of Sun Pharma or Ranbaxy or any underlying assumptions with respect thereto (including the Synergies).

We have relied, at your direction, upon the assessments of the management of Sun Pharma as to (i) the ability to integrate the businesses and operations of Ranbaxy with those of Sun Pharma, (ii) geopolitical, macroeconomic and other conditions in India and other countries in which Sun Pharma and Ranbaxy operate and the potential impact thereof on Sun Pharma, Ranbaxy and the Amalgamation (including the contemplated benefits thereof), (iii) market trends and prospects of, and licensing and other regulatory matters relating to, the pharmaceuticals industry and the potential impact thereof on Sun Pharma, Ranbaxy and the Amalgamation (including the contemplated benefits thereof) and (iv) the validity of, and risks associated with, the products, product candidates and intellectual property of Sun Pharma and Ranbaxy (including, without limitation, the timing and probability of successful development, testing and marketing of such products and product candidates, approval thereof by appropriate governmental authorities and the validity and life of relevant patents). We have assumed, with your consent, that there will be no



The Board of Directors
Sun Pharmaceutical Industries Ltd.
April 6, 2014
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developments with respect to any of the foregoing that would be meaningful in any respect to our analyses or opinion.

We have not made or been provided with an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of Sun Pharma, Ranbaxy or any other entity, nor have we made any physical inspection of the properties or assets of Sun Pharma, Ranbaxy or any other entity, and we have relied upon the assessments of the management of Sun Pharma, and we have assumed, with your consent and without independent verification, that there are appropriate reserves, indemnification arrangements and other provisions with respect to, and that there are no undisclosed, material liabilities of or relating to Sun Pharma, Ranbaxy or any other entity. We have undertaken no independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims or other contingent liabilities to which Sun Pharma or Ranbaxy is or may be a party or is or may be subject or of any governmental investigation (including, without limitation, any investigation by the U.S. Department of Justice) of any ongoing or possible unasserted claims or other contingent liabilities to which Sun Pharma or Ranbaxy is or may be a party or is or may be subject.

We also have assumed, with your consent, that the Amalgamation will be consummated in accordance with its terms and in compliance with all applicable laws and other requirements, without waiver, modification or amendment of any term, condition or agreement meaningful to our analyses or opinion and that, in the course of obtaining the necessary regulatory, shareholder, creditor or other third party approvals or consents and releases for the Amalgamation, no delay, limitation, restriction or condition, including any divestiture requirements or amendments or modifications, will be imposed that would have an adverse effect on Sun Pharma, Ranbaxy or the Amalgamation (including the contemplated benefits thereof). Without prejudice to the generality of the foregoing, we express no view or opinion as to any open offer obligation under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended, to shareholders of Sun Pharma or Ranbaxy that may be triggered as a result of or otherwise in connection with the Amalgamation or the transactions contemplated thereby and we have assumed, with your consent, that any such open offer obligation will not have an adverse effect on Sun Pharma, Ranbaxy or the Amalgamation (including the contemplated benefits thereof) or otherwise impact our analyses or opinion in any meaningful respect and that the post-Amalgamation shareholding of Sun Pharma will be in compliance with applicable minimum public shareholding requirements. Representatives of Sun Pharma have advised us, and we have assumed, that the final terms of the Agreement (including the Scheme) and the Valuation Report will not vary in any meaningful respect from those set forth in the respective drafts reviewed by us. We also have assumed, at your direction, that the Amalgamation will qualify for Indian income tax purposes as a tax-free reorganization. We are not expressing any opinion with respect to accounting, tax, regulatory, legal or similar matters, for which matters we have assumed that Sun Pharma has relied on the advice of its own professionals and advisors, and we have relied, with your consent, upon the assessments of representatives of Sun Pharma as to such matters. Our opinion, as set forth herein, relates to the relative values of Sun Pharma and Ranbaxy. We are not expressing any opinion as to the actual value of Sun Pharma Equity Shares when issued pursuant to the Amalgamation or the prices at which Sun Pharma Equity Shares or Ranbaxy Equity Shares will trade at any time. Our opinion is not to be treated as a valuation of Sun Pharma Equity Shares or Ranbaxy Equity Shares under any law.

Our opinion does not address any terms (other than the Exchange Ratio to the extent expressly specified herein) or other aspects or implications of the Amalgamation, including, without limitation, the form or



The Board of Directors
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April 6, 2014
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structure of the Amalgamation, any voting agreement, indemnification agreement or any other agreement, arrangement or understanding to be entered into in connection with or contemplated by the Amalgamation or otherwise. We express no view as to, and our opinion does not address, the underlying business decision of Sun Pharma to effect the Amalgamation, the relative merits of the Amalgamation as compared to any alternative business strategies that might exist for Sun Pharma or the effect of any other transaction in which Sun Pharma might engage and Sun Pharma remains solely responsible for the commercial assumptions on the basis of which it has agreed to proceed with the Amalgamation and the decisions to proceed with the same. We also express no view as to, and our opinion does not address, the fairness (financial or otherwise) of the amount or nature or any other aspect of any compensation to any officers, directors or employees of any parties to the Amalgamation, or any class of such persons, relative to the Exchange Ratio or otherwise. Our opinion is necessarily based upon information available, and financial, stock market and other conditions and circumstances existing and disclosed, to us as of the date hereof. As you are aware, the credit, financial and stock markets have experienced volatility and we express no opinion or view as to any potential effects of such volatility on Sun Pharma, Ranbaxy or the Amalgamation (including the contemplated benefits thereof).

It is understood that our opinion is given only as of the date hereof and that subsequent developments, including in relation to any contingent liabilities, change in share capital and any effect on market prices or trading volumes of Sun Pharma Equity Shares and Ranbaxy Equity Shares after announcement of the Amalgamation, may affect our opinion, and we do not have any obligation to update, revise or reaffirm our opinion. Delivery of our opinion does not create any fiduciary, equitable or contractual duties on us (including, without limitation, any duty of trust or confidence).

We and our affiliates have acted as financial advisor to Sun Pharma in connection with the proposed Amalgamation and will receive a fee for such services, the principal portion of which is contingent upon consummation of the Amalgamation. We and our affiliates also will receive fees in connection with the delivery of this opinion and public announcement of the proposed Amalgamation. We and our affiliates in the past have provided, currently are providing and in the future may provide services unrelated to the proposed Amalgamation to Sun Pharma, Ranbaxy and certain of their respective affiliates, for which services we and our affiliates have received and will receive compensation, including, during the two-year period prior to the date hereof, having acted or acting (i) as financial advisor to certain affiliates of Sun Pharma, including Taro Pharmaceutical Industries Ltd. ("Taro"), in connection with Sun Pharma's previously announced but terminated proposed transaction with Taro and as financial advisor to certain affiliates of Ranbaxy, including Daiichi Sankyo Company, Limited ("Daiichi"), in connection with certain mergers and acquisitions transactions and (ii) as a lender under certain credit facilities of Sun Pharma and certain of its affiliates and Ranbaxy and certain of its affiliates, including Daiichi. In the ordinary course of business, we and our affiliates may actively trade or hold the securities of Sun Pharma, Ranbaxy, Daiichi and their respective affiliates for our own account or for the account of our customers and, accordingly, may at any time hold a long or short position in such securities. In addition, we and our affiliates (including Citigroup Inc. and its affiliates) may maintain relationships with Sun Pharma, Ranbaxy, Daiichi and their respective affiliates.

Our advisory services and the opinion expressed herein are provided solely for the information of the Board of Directors of Sun Pharma (in its capacity as such) in its evaluation of the proposed Amalgamation, and may not be relied upon by any third party or used for any other purpose. Except as



The Board of Directors
Sun Pharmaceutical Industries Ltd.
April 6, 2014
Page 5

otherwise expressly agreed, our opinion may not be quoted, referred to or otherwise disclosed, in whole or in part, nor may any public reference to us or CGMI or the opinion be made, without our prior written consent. Our opinion is not intended to be and does not constitute a recommendation to any shareholder or any other person as to how such shareholder or person should vote or act on any matters relating to the proposed Amalgamation or otherwise.

Based upon and subject to the foregoing, our experience as investment bankers, our work as described above and other factors we deemed relevant, we are of the opinion that, as of the date hereof, the Exchange Ratio is fair, from a financial point of view, to Sun Pharma.

Very truly yours,

Citigroup Global Markets India Pvt. Ltd.

CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED

Ref: NSE/LIST/244570-4

July 11, 2014

The DGM (Legal & Secretarial) & Compliance Officer
Sun Pharmaceuticals Industries Limited
Acme Plaza, Andheri Kurla Road,
Andheri (East), Mumbai – 400059.

Kind Attn.: Mr. Ashok Bhuta

Dear Sir,

Sub: Observation letter for draft Scheme of Arrangement between Ranbaxy Laboratories Limited and Sun Pharmaceutical Industries Limited.

This has reference to draft Scheme of Arrangement between Ranbaxy Laboratories Limited and Sun Pharmaceutical Industries Limited under section 391 to 394, Sections 78 and 100 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013 submitted to NSE vide your letter dated May 09, 2014.

Based on our letter reference no Ref: NSE/LIST/241296-F submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013 and SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI has vide letter dated July 10, 2014, has given following comments on the draft Scheme of Amalgamation:

“The company shall duly comply with various provisions of the Circulars.”

Accordingly, we do hereby convey our ‘No-objection’ with limited reference to those matters having a bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Companies to file the Scheme with Hon’ble High Court.

However, the Exchange reserves its rights to withdraw this No-objection approval at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from July 11, 2014, within which the Scheme shall be submitted to the Hon’ble High Court. Further pursuant to the above SEBI circulars upon sanction of the Scheme by the Hon’ble High Court, you shall submit to NSE the following:



- a. Copy of Scheme as approved by the High Court;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
- d. Status of compliance with the Observation Letter/s of the stock exchanges
- e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f. Complaints Report as per Annexure II of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013.

Yours faithfully,
For National Stock Exchange of India Limited

Kamlesh Patel
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL
http://www.nseindia.com/corporates/content/further_issues.htm

BSE Limited Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
T: +91 22 2272 1234 / 33 F: +91 22 2272 1003 www.bseindia.com
CIN NO:U67120MH2005PLC155188



DCS/AMAL/NJ/24(f)/119/2014-15

July 10, 2014

The Company Secretary
Sun Pharmaceuticals Limited.
SPARC, Tandalja ,Vadodara ,
Gujarat ,390020.

Dear Sir / Madam,

Sub: Observation letter regarding the Scheme of Arrangement between Sun Pharmaceuticals Limited & Ranbaxy Laboratories Limited.

We are in receipt of draft Scheme of Arrangement involving merger of Ranbaxy Laboratories Limited with Sun Pharmaceuticals Limited.

The Exchange has noted the confirmation given by the Company stating that the scheme does not in any way violate or override or circumscribe the provisions of the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Companies Act, 1956, the rules, regulations and guidelines made under these Acts, and the provisions of the Listing Agreement or the requirements of BSE Limited (BSE).

As required under SEBI Circular No.CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No.CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI has vide its letter dated July 10, 2014 given the following comment(s) on the draft scheme of arrangement:

➤ ***The company shall duly comply with various provisions of the Circulars.***

Accordingly, we hereby convey Exchange's 'No-objection' with limited reference to those matters having bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable you to file the scheme with the Hon'ble High Court.

Further, you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also mention the same in your application for approval of the scheme of arrangement submitted to the Hon'ble High Court.

The Exchange reserves its right to withdraw its No-objection/approval at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Yours faithfully,

Nitin Pujari
Manager

Neha Jain
Asst. Manager



Sandeep Dabur
Assistant Manager
Division of Issues and Listing
Corporation Finance Department
Phone: +91 22 26449338 / +91 22 40459338
Fax: +91 22 26449022 || Email: sandeep@sebi.gov.in

भारतीय प्रतिभूति
और विनिमय बोर्ड
**Securities and Exchange
Board of India**

CFD/DIL/AKD/SD/OW/19960/2014
July 10, 2014

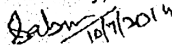
Shri Khushro Bulsara
General Manager,
Bombay Stock Exchange Ltd.,
Floor 25, P J Towers, Dalal Street,
Mumbai - 400 001

Sir,

**Sub: Draft Scheme of Arrangement between Ranbaxy Laboratories Limited and Sun
Pharmaceutical Industries Limited**

1. This has reference to your letters No. LIST/LO/SEBI/NJ/010/2014-15 and No. LIST/LO/SEBI/NJ/011/2014-15 dated May 19, 2014 whereby you have forwarded the applications of Draft Scheme of Arrangement between Ranbaxy Laboratories Limited and Sun Pharmaceutical Industries Limited filed in accordance with SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 and SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 (hereinafter referred to as 'the Circulars') for our comments on the draft Scheme of Arrangement (hereinafter referred to as 'draft Scheme').
2. It is noted that the Designated Stock Exchange, viz., BSE, and NSE have accorded their 'no-objection' to the draft Scheme vide letters dated June 09, 2014 and June 11, 2014, respectively.
3. The matter has been examined by SEBI in the light of the provisions under Part A, Annexure I of the aforesaid Circular. Accordingly, SEBI's comments on the draft Scheme are as under:
 - a. Stock exchanges to ensure compliance with the said Circulars.
 - b. The company shall duly comply with various provisions of the Circulars.
4. Please note that the submission of documents/information in accordance with the Circulars, to SEBI should not in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the documents submitted.

Yours faithfully,


Sandeep Dabur

CC: Shri Hari K
Vice President,
National Stock Exchange of India Ltd
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai - 400051

सेबी भवन, प्लॉट सं. सी 4-ए, 'जी' ब्लॉक, बान्द्रा कुर्ला कॉम्प्लेक्स, बान्द्रा (पूर्व), मुंबई - 400 051. • दूरभाष: 2644 9000 • फैक्स: 2644 9019 to 2644 9022
वेब : www.sebi.gov.in

SEBI Bhavan, Plot No. C4-A, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051. • Tel.: 2644 9000 • Fax: 2644 9019 to 2644 9022
Web: www.sebi.gov.in

Sun Pharmaceutical Industries Ltd.

Acme Plaza, Andheri - Kurla Road,
Andheri (East), Mumbai - 400 059, INDIA.
Tel. : (91-22) 2823 0102, 2821 2128, 6696 9696, 6696 9600
Fax : (91-22) 2821 2010
www.sunpharma.com
CIN : L24230GJ1993PLC019050

June 09, 2014



To
National Stock Exchange of India Ltd,
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (East),
Mumbai – 400 051.

BSE Limited.,
Market Operations Dept.
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.

Dear Sirs,

Re: Filing of the Complaints Report under Clause 24(f) of the Listing Agreement read with SEBI Circular CIR/CFD/DIL/5/2013 dated February 4, 2013.

Sub: Scheme of Arrangement between Ranbaxy Laboratories Limited with Sun Pharmaceutical Industries Limited

Further to our application under clause 24(f) of the Listing Agreement for the proposed Scheme of Ranbaxy Laboratories Limited with Sun Pharmaceutical Industries Limited, please find enclosed the Complaints Report for the period from 16th May, 2014 to 7th June, 2014 as Annexure I.

We are also uploading the Complaints' Report on our website:www.sunpharma.com.

We request you take the above on the record and oblige. We request you to provide us with the "No Objection Letter" at the earliest so as to enable us to seek approval of the Hon'ble High Court for the said Scheme,

If you required any clarification/information, we would be happy to provide the same.

Thanking you,

Yours faithfully,
For Sun Pharmaceutical Industries Ltd

A handwritten signature in black ink, appearing to read "A I Bh".

Ashok I. Bhuta
DGM (Legal & Secretarial) &
Compliance Officer

Encl: Annexure – I

Sun Pharmaceutical Industries Ltd.

Acme Plaza, Andheri - Kurla Road,
Andheri (East), Mumbai - 400 059, INDIA.
Tel. : (91-22) 2823 0102, 2821 2128, 6696 9696, 6696 9600
Fax : (91-22) 2821 2010
www.sunpharma.com
CIN : L24230GJ1993PLC019050



Annexure I

Complaints Report:

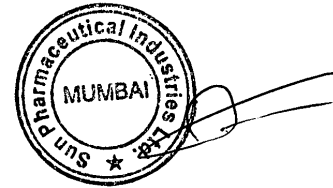
Details of complaints, if any received from 16th May,2014 to 7th June, 2014 for the proposed Scheme of Arrangement between Ranbaxy Laboratories Ltd and Sun Pharmaceutical Industries Limited.

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	0
2.	Number of complaints forwarded by Stock Exchange	0
3.	Total Number of complaints/comments received (1+2)	0
4.	Number of complaints resolved	0
5.	Number of complaints pending	0 (Nil)

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
-	NA	NA	NA





Sun Pharmaceutical Industries Limited

Registered Office: SPARC, Tandalja, Vadodara - 390 020.
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. 187 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 between Ranbaxy Laboratories Limited and Sun Pharmaceutical Industries Limited and their respective shareholders and creditors

Sun Pharmaceutical Industries Limited

[CIN L24230GJ1993PLC019050], a public limited company, incorporated under the provisions of the Companies Act, 1956 and having its registered office at SPARC, Tandalja, Vadodara-390 020, in the State of Gujarat

..... 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 Friday, the 22nd day of August 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 between Ranbaxy Laboratories Limited and Sun Pharmaceutical Industries Limited, (the "Scheme of Arrangement"), 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

Signature of the Attending Member Signature of the Proxy.....

Name : _____

Address : _____

Affix
Re. 1
Revenue
Stamp

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, Tandajja, Vadodara - 390 020.
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 16th July, 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 Friday, 22nd August, 2014 at 11:00 a.m.

SIGNATURE OF THE ATTENDING MEMBER : _____

SIGNATURE OF THE 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:

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
Lal Bahadur Shastri Road, Bhandup (West),
Mumbai - 400078.