

COMPOSITE SCHEME OF AMALGAMATION

AMONGST

AUROBINDO PHARMA LIMITED

AND

MVIYES PHARMA VENTURES PRIVATE LIMITED

AND

AURONEXT PHARMA PRIVATE LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS

**(Under section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the
rules framed thereunder)**

PREAMBLE

This Composite Scheme of Amalgamation (“**Scheme**”) is presented pursuant to the provisions of Section 230 to 232 of Companies Act, 2013 and other relevant provisions of the Companies Act, 2013, as may be applicable, and Section 2(1B) and other relevant provisions of the Income-Tax Act, 1961, as applicable for the:

- (i) Amalgamation of Mviyes Pharma Ventures Private Limited (“Mviyes” or “Transferor Company I) into Aurobindo Pharma Limited (“Aurobindo” or “APL”) and the consequent dissolution without winding up of Mviyes.

- (ii) Amalgamation of Auronext Pharma Private Limited (“Auronext” or “Transferor Company II) into Aurobindo Pharma Limited (“Aurobindo” or “APL”) and the consequent dissolution without winding up of Auronext.

APL, Mviyes and Auronext are collectively referred to as “Parties” or “Companies” and individually as “Party” or “Company”.

(A) DESCRIPTION OF THE COMPANIES

1. Aurobindo Pharma Limited is a listed public limited company, having CIN: L24239TG1986PLC015190 and its registered office at Plot no.2, Maithrivihar, Behind Maithri Vanam, Ameerpet, Hyderabad, PIN – 500038, Telangana and Corporate office at Galaxy, Floor 22-24; Plot No 1, Sy No 83/1, Hyderabad Knowledge City, Raidurg Panmaktha, Hyderabad, PIN – 500032, Telangana. APL is primarily engaged, *inter alia*, in the business of manufacturing and marketing of active pharmaceutical ingredients, generic pharmaceuticals and related services. The equity shares of APL are listed and traded on the BSE Limited (“BSE”) bearing ISIN: INE406A01037 & Scrip Code: 524804 and on the National Stock Exchange (“NSE”) bearing Symbol: AUROPHARMA.

2. Mviyes Pharma Ventures Private Limited is a private limited company, having CIN: U74999TG2017PTC116265 and its registered office at Galaxy, Floor 22-24; Plot No 1, Sy No 83/1, Hyderabad Knowledge City, Raidurg Panmaktha, Hyderabad, PIN – 500032, Telangana. Mviyes is incorporated with the object of engaging in pharmaceutical business. Mviyes is a wholly owned subsidiary of APL.
3. Auronext Pharma Private Limited is a private limited company, having CIN: U74999TG2009PTC109591 and its registered office at Galaxy, Floor 22-24; Plot No 1, Sy No 83/1, Hyderabad Knowledge City, Raidurg Panmaktha, Hyderabad, PIN – 500032, Telangana. Auronext is engaged, *inter alia*, in the business of manufacture and marketing of pharmaceutical products. Auronext is a wholly owned subsidiary of APL.

(B) RATIONALE AND PURPOSE OF THE SCHEME

It is expected that the Scheme would, *inter-alia* provide the following benefits:

1. Reduction of administrative responsibilities, multiplicity of records and statutory, legal and regulatory compliance.
2. Cost savings through legal entity rationalisation
3. The merger of Transferor Company I and Transferor Company II into the Transferee Company will result in operational synergies resulting in cost optimization
4. The merger would result in consolidation of Networth of the Transferor Companies with the Transferee Company thereby resulting in an increased Networth of the combined entity.

Thus, the Scheme is in the interest of the shareholders, creditors and all other stakeholders of the companies and is not prejudicial to the interests of concerned shareholders, creditors or the public at large.

(C) PARTS OF THE SCHEME

This Scheme of Amalgamation is divided into the following parts: -

Part I: Definitions of the terms used in this Scheme, interpretation and share capital;

Part II: Amalgamation of Mviyes Pharma Ventures Private Limited into Aurobindo Pharma Limited

Part III: Amalgamation of Auronext Pharma Private Limited into Aurobindo Pharma Limited

Part IV: General Terms and Conditions.

PART I: DEFINITIONS OF THE TERMS USED IN THIS SCHEME

1. DEFINITIONS OF THE TERMS USED IN THIS SCHEME

In this Scheme (as defined hereinafter), unless repugnant to the meaning or context thereof, the following expressions shall have the meaning mentioned herein below:

- 1.1 **“Act” or “the Act”** means the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable rules and regulations, for the time being in force, if any, including any statutory modifications or re-enactment thereof. References in this Scheme to particular provisions of the Act shall be deemed to mean and include references to particular provisions of the Companies Act, 2013 unless stated otherwise.

- 1.2 **“Amalgamation”** means the Amalgamation of Transferor Company I and Transferor Company II with Transferee Company, pursuant to Sections 230 to 232 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other relevant provisions of the Act and rules and regulations, as contemplated in the Scheme.
- 1.3 **“Applicable Law”** includes all statutes, enactments, acts of legislature or parliament, ordinances, rules, bye-laws, Governmental Approvals, regulations thereof, notifications, guidelines required to be followed, directions, directives and orders of any Governmental Authority as may be applicable to the relevant Party.
- 1.4 **“Appointed Date”** for the purposes of Part II and Part III of this Scheme and for the Income-Tax Act, 1961, means 01st April, 2023, or such other date as may be approved by the National Company Law Tribunal, Hyderabad Bench, Hyderabad.
- 1.5 **“Board of Directors” or “Board”** in relation to each of the Companies, as the case may be, means the board of directors of such company, as the context may require, and shall include a duly constituted committee or any person authorized by the Board of Directors or such committee thereof.
- 1.6 **“Companies”** shall mean APL, Mviyes and Auronext .
- 1.7 **“Consent”** means any notice, approval, authorization, waiver, permit, permission, clearance, license, exemption, no objection certificate, registration, with, of, from or to any person.
- 1.8 **“Effective Date”** means the date on which the Scheme shall become effective pursuant to Clause 24 of the Scheme. Any references in this Scheme to "upon this Scheme becoming effective" or "effectiveness of this Scheme" or "after this Scheme becomes effective" means and refers to the Effective Date.

- 1.9 **“Government” or “Government Authority”** means the Central Government, any applicable 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.
- 1.10 **“NCLT”** means the National Company Law Tribunal, Hyderabad Bench having jurisdiction over the Parties.
- 1.11 **“RoC”** means the Registrar of Companies at Hyderabad having jurisdiction over the Parties.
- 1.12 **“Scheme of Amalgamation” or “this Scheme” or “the Scheme”** means this Composite Scheme of Amalgamation presented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 in its present form or with any modification(s) made under Clause 28 of this Scheme or any modifications approved or directed by the NCLT.
- 1.13 **“SEBI”** means the Securities and Exchange Board of India.
- 1.14 **“SEBI Circular”** means, together, the circular no. CFD/DIL3/CIR/2017/21 dated 10th day of March 2017, the circular no. CFD/DIL3/CIR/2017/26 dated 23rd day of March 2017 and the circular no. CFD/DIL3/CIR/2017/105 dated 21st day of September 2017, circular no. CFD/ DIL3/ CIR/ 2018/ 2 dated 3rd day of January 2018, circular no. SEBI/ HO/ CFD/ DIL1/ CIR/ P/ 2019/ 192 dated 12th day of September 2019, circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/215 dated 3rd day of November 2020, circular no. SEBI/ HO/ CFD/ DIL2/ CIR/ P/ 2021/ 0000000657 dated 16th day of November 2021, circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/0000000659 dated 18th day of November 2021 each issued by SEBI.
- 1.15 **“Stock Exchanges”** means the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE), collectively.

- 1.16 **“Shareholders”** means the persons registered as holders of shares of Companies concerned.
- 1.17 **“Transferee Company”** means Aurobindo Pharma Limited, a listed public company, having CIN: L24239TG1986PLC015190 and its registered office Plot no. 2, Maithrivihar, behind Maithrivanam, Ameerpet, Hyderabad, Telangana 500038 and corporate office at Galaxy, Floor 22-24; Plot No 1, Sy No 83/1 Hyderabad Knowledge City, Raidurg Panmaktha Hyderabad 500081 Telangana.
- 1.18 **“Transferor Company I”** means Mviyes Pharma Ventures Private Limited, a private limited company, having CIN: U74999TG2017PTC116265 and its registered office at Galaxy, Floor 22-24; Plot No 1, Sy No 83/1 Hyderabad Knowledge City, Raidurg Panmaktha Hyderabad 500032 Telangana, with all its undertakings and business, as a going concern, and shall include (without limitation):
- a) 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), including but not limited to manufacturing facilities, laboratories, land, (whether leasehold or freehold), processing plants, plant and machinery, computers, equipments, building and structures, offices, residential and other premises, diesel generator sets, stock-in-trade, packing materials, raw materials, 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, 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, financial assets, leases, 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 Abbreviated New Drug Applications), 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), employee benefit plan, export incentives accrued, derivative instruments, forward contracts, insurance claims receivable, tax related assets, including but not limited to goods and service tax input credits, value added/ sales tax/ entry tax credits or set-offs, advance tax, tax deducted at source, tax refunds and minimum alternate tax credit, tax holiday benefit, incentives, tax losses, rights, easements, privileges, liberties and advantages of whatsoever nature and wherever situated;

- b) all permits, licenses, permissions including municipal permissions, right of way, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, liberties and advantages including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto;
- c) all contracts, agreements, purchase orders/ service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/license

agreements, tenancy rights, agreements/ panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier /manufacturer of goods/ service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder;

- d) all applications, including hardware, software, licenses, source codes (including any copies thereof), scripts, registrations, goodwill, licenses, trademarks, trade names, service marks, copyrights, patents, patent rights, domain names, designs, intellectual property rights (whether owned, licensed or otherwise, and whether registered or unregistered), trade secrets, research and studies, technical knowhow, confidential information and rights of any description and nature whatsoever;
- e) all rights to use and avail 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 interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated;
- f) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/ supplier pricing information, and all other books and records, whether in physical or electronic form;
- g) investments in shares, debentures and other securities;

- h) All debts (secured and unsecured), liabilities including contingent liabilities, duties, leases and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized;
- i) all permanent and temporary employees employed/ engaged in and relatable to the business as on the Effective Date; and
- j) all legal or other proceedings of whatsoever nature.

1.19 **“Transferor Company II”** means Auronext Pharma Private Limited, a private limited company, having CIN: U74999TG2009PTC109591 and its registered office at Galaxy, Floor 22-24; Plot No 1, Sy No 83/1, Hyderabad Knowledge City, Raidurg Panmaktha, Hyderabad 500081 Telangana with all its undertakings and business, as a going concern, and shall include (without limitation):

- a) 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), including but not limited to manufacturing facilities, laboratories, land, (whether leasehold or freehold), processing plants, plant and machinery, computers, equipments, building and structures, offices, residential and other premises, diesel generator sets, stock-in-trade, packing materials, raw materials, tablets, capsules, vials, 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, 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, financial assets, leases, 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 Abbreviated New Drug Applications), 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), employee benefit plan, export incentives accrued, derivative instruments, forward contracts, insurance claims receivable, tax related assets, including but not limited to goods and service tax input credits, value added/ sales tax/ entry tax credits or set-offs, advance tax, tax deducted at source, tax refunds and minimum alternate tax credit, tax holiday benefit, incentives, tax losses, rights, easements, privileges, liberties and advantages of whatsoever nature and wherever situated;

- b) all permits, licenses, permissions including municipal permissions, right of way, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, liberties and advantages including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto;
- c) all contracts, agreements, purchase orders/ service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of

agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/license agreements, tenancy rights, agreements/ panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier /manufacturer of goods/ service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder;

- d) all applications, including hardware, software, licenses, source codes (including any copies thereof), scripts, registrations, goodwill, licenses, trademarks, trade names, service marks, copyrights, patents, patent rights, domain names, designs, intellectual property rights (whether owned, licensed or otherwise, and whether registered or unregistered), trade secrets, research and studies, technical knowhow, confidential information and rights of any description and nature whatsoever;
- e) all rights to use and avail 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 interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated;
- f) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit

information, customer/ supplier pricing information, and all other books and records, whether in physical or electronic form;

- g) investments in shares, debentures and other securities;
- h) All debts (secured and unsecured), liabilities including contingent liabilities, duties, leases and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized;
- i) all permanent and temporary employees employed/ engaged in and relatable to the business as on the Effective Date; and
- j) all legal or other proceedings of whatsoever nature.

1.20 **“Transition Period”** means the period starting from the date immediately after the Appointed Date till the last of the dates on which all the conditions stipulated in Clause 24 of this Scheme are fulfilled.

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 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modifications or re-enactment thereof from time to time.

2. INTERPRETATION

2.1 The terms “hereof”, “herein”, “hereby”, “hereto” and derivative or similar words used in this Scheme refers to this entire Scheme.

2.2 words denoting singular shall include plural and vice versa and references to any gender

includes the other gender;

- 2.3 headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation
- 2.4 references to the word “include” or “including” shall be construed without limitation
- 2.5 references to Clauses are to the Clauses to this Scheme
- 2.6 The terms, words and expressions, which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the regulations made there under), the Depositories Act, 1996 and other applicable laws, rules, regulations, guidelines, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT shall be effective from the Appointed Date but shall become operative from the Effective Date.

4. SEQUENCE OF EFFECTIVENESS OF THE SCHEME

Save as provided otherwise in Clause 31, upon the Scheme becoming effective, with effect from the Appointed Date, the following shall be deemed to have occurred and become effective in any order mentioned hereunder:

- a. Part II which provides for Amalgamation of Transferor Company I into Transferee Company and the consequent dissolution without winding up of Transferor Company I shall be operative either prior, together or subsequent to coming effect of Part III of the Scheme;
- b. Part III which provides for Amalgamation of Transferor Company II into Transferee Company and the consequent dissolution without winding up of Transferor Company II shall be operative either prior, together or subsequent to coming effect of Part II of the Scheme;

5. SHARE CAPITAL

5.1. The Share Capital of Transferee Company as on the 31st March, 2023 is as follows:

Particulars	Amount in INR
Authorized Capital	
1,79,05,00,000 Equity shares of INR 1 each	1,79,05,00,000
82,10,000 Preference shares of INR 100 each	82,10,00,000
Total	2,61,15,00,000
Issued, Subscribed and Paid-up	
58,59,38,609 Equity shares of INR 1 each	58,59,38,609
Total	58,59,38,609

5.2. The Share Capital of Transferor Company I as on 31st March, 2023 is as follows:

Particulars	Amount in INR
Authorized Capital	
15,02,49,382 Equity shares of INR 10 each	1,50,24,93,820
Total	1,50,24,93,820
Issued, Subscribed and Paid-up	
15,02,49,382 Equity shares of INR 10 each	1,50,24,93,820
Total	1,50,24,93,820

Note:- The Transferee Company holds 100% shares of the Transferor Company I

5.3. The Share Capital of Transferor Company II as on 31st March, 2023 is as follows:

Particulars	Amount in INR
Authorized Capital	
12,50,00,000 Equity shares of INR 10 each	1,25,00,00,000
1,30,00,000 Preference Shares of INR 100 each	1,30,00,00,000
Total	2,55,00,00,000
Issued, Subscribed and Paid-up	
12,49,84,028 Equity shares of INR 10 each	1,24,98,40,280
Total	1,24,98,40,280

Note:- The Transferee Company holds 100% shares of the Transferor Company II

PART II: AMALGAMATION OF TRANSFEROR COMPANY I WITH TRANSFEREE COMPANY

6. TRANSFER AND VESTING OF TRANSFEROR COMPANY I

- 6.1. Subject to the provisions of the Scheme as specified herein and with effect from the Appointed Date and upon the Scheme becoming effective, Transferor Company I shall pursuant to Section 230 to 232 of the Act be and stand transferred to and vested in Transferee Company as a going concern, without any further deed or act, together with all the properties, assets, rights, liabilities, benefits, title and interest therein as detailed below, so as to become as and from the Appointed Date, the properties, assets, rights, liabilities, benefits, title and interest of Transferee Company under the provisions of Sections 230 to 232 of the Act.
- 6.2. Without prejudice to Clause 6.1 above, in respect of such of the assets as are movable in nature or incorporeal property including investments (including investments in securities of other companies whether shares, stocks, debentures, units, or other similar instruments) and cash and cash equivalents, unless they are capable of being transferred otherwise, shall be physically handed over by manual delivery or by endorsement and/or delivery to Transferee Company, or by vesting pursuant to this Scheme, if any, and shall stand vested in Transferee Company so as to become from the Appointed Date, the estate, assets, rights, title, interest and authorities of Transferee Company.
- 6.3. In respect of such assets and movables other than those referred to above in Clause 6.2 including but not limited to sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances, if any, the same shall without any further act or instrument or deed, be transferred to and vested in and/or be deemed to have been transferred to and vested in Transferee Company as and from the Appointed Date and shall become the property of Transferee Company.

- 6.4. All immovable properties including leasehold properties shall become the properties of Transferee Company and shall stand transferred to and be vested in and/or be deemed to have been transferred to and vested in Transferee Company as and from the Appointed Date, under and pursuant to the order of the NCLT approving this Scheme, without requiring the execution of any other deed or purposes be treated as the instrument conveying such properties and assets to Transferee Company. With effect from the Appointed Date, all the liabilities pertaining to Transferor Company I shall, without any further act or deed, stand transferred to and vested in or deemed to have been transferred to and vested in Transferee Company so as to become the debts, liabilities, duties and obligations of Transferee Company as and from the Appointed Date; and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Clause. Provided always that, the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed by Transferor Company I, and Transferee Company shall not be obliged to create any further or additional security therefor after the Effective Date.
- 6.5. Any benefits and obligations arising out of the agreements and deeds entered into by Transferor Company I or Transferee Company with any other party, along with all amendments and arrangements thereto, shall continue to be in full force and effect on or against or in favour of, as the case may be, Transferee Company pursuant to the Scheme becoming effective.
- 6.6. Upon the Scheme becoming operative, all inter party transactions entered into between Transferor Company I and Transferee Company stand cancelled and terminated post the approval of the Scheme, from the Appointed Date.

- 6.7. All assets, estate, rights, title, interest, licenses and authorities acquired by or permits, quotas, approvals or permissions, incentives, sales tax deferrals, loans or benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, and other assets, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by and/or all rights and benefits that have accrued or which may accrue to Transferor Company I after the Appointed Date and prior to the Effective Date in connection with or in relation to the operation of the undertakings of Transferor Company I shall, pursuant to the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed, be and hereby stand transferred to and vested or deemed to have been transferred to and vested in Transferee Company.
- 6.8. All loans, raised and utilized and all debts, duties, undertakings liabilities and obligations incurred or undertaken by Transferor Company I after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme, pursuant to the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed, be and stand transferred to or vested in or deemed to have been transferred to and vested in Transferee Company and shall become the debt, duties, undertakings, liabilities and obligations of Transferee Company, which shall meet, discharge and satisfy the same.
- 6.9. The resolutions, if any, of Transferor Company I, which are valid and subsisting on the Effective Date, shall be continued to be valid and subsisting and be considered as resolutions of Transferee Company and if any such resolutions have upper monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then the said limits shall be added and shall constitute the aggregate of the said limits in Transferee Company.

6.10. This Scheme shall not, in any manner, affect the rights of any of the creditors of Transferor Company I.

6.11. The amalgamation of Transferor Company I with Transferee Company, pursuant to and in accordance with this Scheme shall be in accordance with Section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with the said section. Such modification will however not affect the other parts of the Scheme.

7. CONTRACTS, DEEDS, APPROVALS, EXEMPTIONS, ETC.

7.1. Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, insurance policies, indemnities, guarantees, arrangements and other instruments, whether pertaining to immovable properties or otherwise of whatsoever nature to which Transferor Company I is a party or to the benefit of which Transferor Company I may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour of, as the case may be, of Transferee Company and may be enforced as fully and effectually as if, instead of Transferor Company I, Transferee Company had been a party or beneficiary or beneficial owner or obligee thereto or thereunder.

7.2. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, power of attorney given by, issued to or executed in favour of the Transferor Company I shall stand transferred to Transferee Company, as if the same were originally given by, issued to or executed in favour of

Transferee Company and 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 Transferee Company. Transferee Company shall make applications and do all such acts or things which may be necessary to obtain relevant approvals from the concerned Governmental Authorities as may be necessary in this behalf.

- 7.3. Transferee Company, at any time after the Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, will execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement to which Transferor Company I is a party in order to give formal effect to the above provisions. Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of Transferor Company I and to carry out or perform all such formalities or compliances, referred to above, on behalf of Transferor Company I.

8. LEGAL PROCEEDINGS

- 8.1. All legal proceedings of whatsoever nature by or against Transferor Company I pending and/ or arising on or after the Appointed Date shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against Transferee Company in the manner and to the same extent as would or might have been continued and enforced by or against Transferor Company I, if this Scheme had not been made.
- 8.2. Transferee Company undertakes to have all legal or other proceedings initiated by or against Transferor Company I referred to in Clause 8 above transferred in its name respectively and to have the same continued, prosecuted and enforced by or against Transferee Company to the same extent as would or might have been continued and enforced by or against Transferor Company I.

9. EMPLOYEES

- 9.1. On the Scheme becoming effective, all staff and employees of Transferor Company I on the Effective Date shall be deemed to have become the staff and employees of Transferee Company with effect from the Appointed Date without any break, discontinuance or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with Transferee Company shall not be less favourable than those applicable to them with reference to Transferor Company I as on the Effective Date. Transferee Company further agrees that for the purpose of payment of any retirement benefit / compensation, such immediate uninterrupted past services of such staff and employees with Transferor Company I shall also be taken into account.
- 9.2. In so far as the existing provident fund, gratuity fund and pension and/ or superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created by Transferor Company I (collectively referred to as the "Funds"), the Funds and such of the investments made by the Funds which pertains/ relates to the employees of Transferor Company I shall be transferred to Transferee Company and shall be held for their benefit pursuant to this Scheme in the manner provided hereinafter. The Funds shall, subject to the necessary approvals and permissions and at the discretion of Transferee Company, either be continued as separate funds of Transferee Company for the benefit of the employees of Transferor Company I or be transferred to and merged with other similar funds, if any, of Transferee Company. In the event that Transferee Company does not have its own funds in respect of any of the above, Transferee Company may, subject to necessary approvals and permissions, continue to contribute to the relevant Funds of Transferor Company I, until such time that Transferee Company creates its own fund, at which time the Funds and the investments and contributions pertaining to the employees of Transferor Company I shall be transferred to the funds created by Transferee Company.

It is clarified that the services of the employees of Transferor Company I will be treated as having been continuous for the purpose of the said fund or funds.

- 9.3. With effect from the first of the dates of filing of this Scheme with the NCLT and up to and including the Effective Date, Transferor Company I shall not vary or modify the terms and conditions of employment of any of its said employees, except with the written consent of Transferee Company, unless it is in the ordinary course of business. However, the terms and conditions of their employment with Transferee Company shall be no less favourable than those on which they were engaged in Transferor Company I.

10. CONDUCT OF BUSINESS UNTIL THE SCHEME IS APPROVED BY NCLT / TRANSITION PERIOD

- 10.1. With effect from the Appointed Date and up to and including the Effective Date, Transferor Company I undertakes to preserve and carry on its business, with reasonable diligence and business prudence and shall not undertake financial commitments or sell, transfer, alienate, charge, mortgage, or encumber or otherwise deal with or dispose of any undertaking or any part thereof save and except in each case:
- (a) if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with the NCLT; or
 - (b) if the same is expressly permitted by this Scheme; or
 - (c) if the prior written consent of the Board of Directors of Transferee Company has been obtained.
- 10.2. Transferor Company I shall carry on and be deemed to have carried on all business and activities and shall stand possessed of all the assets, rights, title and interest of Transferor Company I for and on account of, and in trust for Transferee Company.

- 10.3. All profits and cash accruing to or losses arising or incurred (including the effect of taxes if any thereon), by Transferor Company I, shall for all purposes, be treated as the profits and cash, taxes or losses of Transferee Company.
- 10.4. Transferee Company shall be entitled to apply to the Central Government and any other Government, or statutory or regulatory authorities/ agencies/ body concerned as are necessary under any law for such consents, approvals, licenses, registrations and sanctions which Transferee Company may require to carry on the business of Transferor Company I. For the avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of the bank accounts of Transferor Company I have been replaced with that of Transferee Company, Transferee Company shall be entitled to operate the bank accounts of Transferor Company I in the name of Transferor Company I in so far as may be necessary. All cheques and negotiable instruments, payment orders received or presented for encashment which are in the name of Transferor Company I after the Effective Date shall be accepted by the bankers of Transferee Company and credited to the account of Transferee Company, if presented by Transferee Company. Similarly, till the time any regulatory registrations of Transferor Company I are closed / suspended and regulatory filings are required to be done on such registrations, Transferee Company shall be entitled to do so to comply with the relevant regulations.

11. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the assets, liabilities and obligations pertaining / relating to Transferor Company I, pursuant to this Scheme, and the continuance of the proceedings by or against Transferee Company, under Clause 17 hereof shall not affect any transactions or proceedings already completed by Transferor Company I, on and after the Appointed Date to the end and intent that Transferee Company accepts all acts, deeds and things done

and executed by and/ or on behalf of Transferor Company I, as acts, deeds and things done and executed by and on behalf of Transferee Company.

12. CONSIDERATION

- 12.1. Transferor Company I is a wholly-owned subsidiary of Transferee Company. Hence, upon the Scheme becoming effective and amalgamation of Transferor Company I with Transferee Company in terms of Part II of this Scheme, all the equity shares issued by Transferor Company I and held by Transferee Company and/ or its nominees shall stand cancelled and extinguished and in lieu thereof, no allotment of any shares in Transferee Company shall be made to any person whatsoever.

13. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEEE COMPANY

Upon the Scheme becoming effective and with effect from the Appointed Date, the Amalgamation of Transferor Company I with Transferee Company shall be accounted as per the "Pooling of Interest Method" under the Indian Accounting Standard 103 – “Business Combinations” notified under Section 133 of the Act read with relevant rules issued thereunder and other applicable accounting standards prescribed under the Act.

- 13.1. With effect from the Appointed Date, Transferee Company shall record the assets, liabilities and reserves (whether capital or revenue or arising on revaluation) of Transferor Company I vested in it pursuant to this Scheme, at their respective book values thereof and in the same form as appearing in the books of Transferor Company I at the close of the business of the day immediately preceding the Appointed Date, except to ensure uniformity in accounting policies as provided in Clause 13.4 below;
- 13.2. The value of the investments in the shares of Transferor Company I as held by Transferee Company inter-se shall stand cancelled, without any further act or deed;

- 13.3. The inter-company loans, advances, deposits or other obligations between Transferor Company I and Transferee Company, if any, will stand cancelled and there shall be no further obligation in that behalf;
- 13.4. Further, in case of any differences in accounting policy between Transferee Company and Transferor Company I, the accounting policy followed by Transferee Company will prevail, and the differences shall be adjusted in Capital Reserves of Transferee Company, to ensure that the financial statements of Transferee Company reflect the financial position on the basis of consistent accounting policy;
- 13.5. The difference arising between the net assets recorded in the books of Transferee Company as mentioned in Clause 13.1 and cancellation of investments, inter-company loans advances and deposits as mentioned in Clause 13.2 and 13.3 shall be adjusted against the Capital Reserves of Transferee Company;

14. TREATMENT OF TAXES

- 14.1. This Scheme has been drawn up to comply with the conditions relating to “Amalgamation” as specified in Section 2(1B) and other relevant provisions of the Income tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section and other relevant provisions at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section and relevant provisions of Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent required to comply with Section 2(1B) and other relevant provisions of the Income-tax Act, 1961.

- 14.2. All taxes of any nature, duties, cess or any other like payments or deductions made by Transferor Company I to any statutory authorities such as Income tax, Sales tax, Service tax, Value added tax, Goods and Services tax etc. or any tax deduction/ collection at source, relating to the period after the Appointed Date and up to the Effective Date shall be deemed to have been on account of and on behalf of Transferee Company and the relevant authorities shall be bound to transfer to the account of and give credit for the same to Transferee Company upon the passing of the order on this Scheme by the NCLT or any other appropriate authority and upon relevant proof and documents being provided to the said authorities.
- 14.3. Without prejudice to the generality of the above, all benefits including claim of tax deduction at source, tax collection at source, advance tax and self-assessment tax and any similar credits or balances under the income tax, sales tax, excise duty, customs duty, service tax, GST, VAT, etc., to which Transferor Company I is entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in Transferee Company. Similarly, the unabsorbed depreciation and brought forward losses of Transferor Company I as considered for the purposes of Explanation 1 to Section 115JB (2) of the Income-tax Act, 1961 shall stand transferred to Transferee Company and Transferee Company shall consolidate the same with its unabsorbed depreciation and brought forward losses for the purpose of Explanation 1 to Section 115JB (2) of the Income-tax Act, 1961. Similarly any unabsorbed interest expenditure entitled to be carried forward under section 94B(4) of the Income-tax Act, 1961 of Transferor Company I shall consolidate with that of Transferee Company.
- 14.4. Transferee Company is expressly permitted to revise its tax returns as permissible under applicable law, including tax deducted at source certificates/ returns and to claim refunds, advance tax credits, tax loss, excise and service tax credits, input tax credits, set off etc. upon coming into effect of this Scheme. Its right to make revisions in the related tax returns and tax certificates, as applicable, and the right to claim refunds, adjustments, credits, set

offs, advance tax credits, tax losses, MAT credit pursuant to the sanction of this Scheme and the Scheme becoming effective is expressly reserved.

PART III: AMALGAMATION OF TRANSFEROR COMPANY II WITH TRANSFEREE COMPANY

15. TRANSFER AND VESTING OF TRANSFEROR COMPANY II:

- 15.1. Subject to the provisions of the Scheme as specified herein and with effect from the Appointed Date and upon the Scheme becoming effective, Transferor Company II shall pursuant to Section 230 to Section 232 of the Act be and stand transferred to and vested in Transferee Company as a going concern, without any further deed or act, together with all the properties, assets, rights, liabilities, benefits, title and interest therein as detailed below, so as to become as and from the Appointed Date, the properties, assets, rights, liabilities, benefits, title and interest of Transferee Company under the provisions of Sections 230 to Section 232 of the Act.
- 15.2. Without prejudice to Clause 15.1 above, in respect of such of the assets as are movable in nature or incorporeal property including investments (including investments in securities of other companies whether shares, stocks debentures, units or other similar instruments) and cash and cash equivalents, unless they are capable of being transferred otherwise, shall be physically handed over by manual delivery or by endorsement and/or delivery to Transferee Company, or by vesting pursuant to this Scheme, if any, and shall stand vested in Transferee Company so as to become from the Appointed Date, the estate, assets, rights, title, interest and authorities of Transferee Company.

- 15.3. In respect of such assets and movables other than those referred to above in Clause 15.2 including but not limited to sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances, if any, the same shall without any further act or instrument or deed, be transferred to and vested in and/or be deemed to have been transferred to and vested in Transferee Company as and from the Appointed Date and shall become the property of Transferee Company.
- 15.4. All immovable properties including leasehold properties shall become the properties of Transferee Company and shall stand transferred to and be vested in and/or be deemed to have been transferred to and vested in Transferee Company as and from the Appointed Date, under and pursuant to the order of the NCLT approving this Scheme, without requiring the execution of any other deed or purposes be treated as the instrument conveying such properties and assets to Transferee Company.
- 15.5. With effect from the Appointed Date, all the liabilities pertaining to Transferor Company II shall, without any further act or deed, stand transferred to and vested in or deemed to have been transferred to and vested in Transferee Company so as to become the debts, liabilities, duties and obligations of Transferee Company as and from the Appointed Date; and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Clause. Provided always that, the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed by Transferor Company II, and Transferee Company shall not be obliged to create any further or additional security therefor after the Effective Date.

- 15.6. Any benefits and obligations arising out of the agreements and deeds entered into by Transferor Company II or Transferee Company with any other party, along with all amendments and arrangements thereto, shall continue to be in full force and effect on or against or in favour of, as the case may be, Transferee Company pursuant to the Scheme becoming effective.
- 15.7. Upon the Scheme becoming operative, all inter party transactions entered into between Transferor Company II and Transferee Company stand cancelled and terminated post the approval of the Scheme, from the Appointed Date.
- 15.8. All assets, estate, rights, title, interest, licenses and authorities acquired by or permits, quotas, approvals or permissions, incentives, sales tax deferrals, loans or benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, and other assets, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by and/or all rights and benefits that have accrued or which may accrue to Transferor Company II after the Appointed Date and prior to the Effective Date in connection with or in relation to the operation of the undertakings of Transferor Company II shall, pursuant to the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed, be and hereby stand transferred to and vested or deemed to have been transferred to and vested in Transferee Company.
- 15.9. All loans, raised and utilized and all debts, duties, undertakings liabilities and obligations incurred or undertaken by Transferor Company II after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme, pursuant to the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed, be and stand transferred to or vested in or deemed to have been transferred to and vested in Transferee Company and shall become the debt, duties, undertakings, liabilities and obligations of Transferee Company, which shall meet, discharge and satisfy the same.

- 15.10. The resolutions, if any, of Transferor Company II, which are valid and subsisting on the Effective Date, shall be continued to be valid and subsisting and be considered as resolutions of Transferee Company and if any such resolutions have upper monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then the said limits shall be added and shall constitute the aggregate of the said limits in Transferee Company.
- 15.11. This Scheme shall not, in any manner, affect the rights of any of the creditors of Transferor Company II.
- 15.12. The amalgamation of Transferor Company II with Transferee Company, pursuant to and in accordance with this Scheme shall be in accordance with Section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with the said section. Such modification will however not affect the other parts of the Scheme.

16. CONTRACTS, DEEDS, APPROVALS, EXEMPTIONS, ETC.

- 16.1. Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, insurance policies, indemnities, guarantees, arrangements and other instruments, whether pertaining to immovable properties or otherwise of whatsoever nature to which Transferor Company II is a party or to the benefit of which Transferor Company II may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour of, as the case may be, of Transferee Company and may be enforced as fully and effectually as if, instead of Transferor Company II, Transferee

Company had been a party or beneficiary or beneficial owner or obligee thereto or thereunder.

- 16.2. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, power of attorney given by, issued to or executed in favour of the Transferor Company II shall stand transferred to Transferee Company, as if the same were originally given by, issued to or executed in favour of Transferee Company and 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 Transferee Company. Transferee Company shall make applications and do all such acts or things which may be necessary to obtain relevant approvals from the concerned Governmental Authorities as may be necessary in this behalf.
- 16.3. Transferee Company, at any time after the Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, will execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement to which Transferor Company II is a party in order to give formal effect to the above provisions. Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of Transferor Company II and to carry out or perform all such formalities or compliances, referred to above, on behalf of Transferor Company II.

17. LEGAL PROCEEDINGS

- 17.1. All legal proceedings of whatsoever nature by or against Transferor Company II pending and/ or arising on or after the Appointed Date shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against Transferee Company in the

manner and to the same extent as would or might have been continued and enforced by or against Transferor Company II, if this Scheme had not been made.

- 17.2. Transferee Company undertakes to have all legal or other proceedings initiated by or against Transferor Company II referred to in Clause 17.1 above transferred in its name respectively and to have the same continued, prosecuted and enforced by or against Transferee Company to the same extent as would or might have been continued and enforced by or against Transferor Company II.

18. EMPLOYEES

- 18.1. On the Scheme becoming effective, all staff and employees of Transferor Company II on the Effective Date shall be deemed to have become the staff and employees of Transferee Company with effect from the Appointed Date without any break, discontinuance or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with Transferee Company shall not be less favourable than those applicable to them with reference to Transferor Company II as on the Effective Date. Transferee Company further agrees that for the purpose of payment of any retirement benefit / compensation, such immediate uninterrupted past services of such staff and employees with Transferor Company II shall also be taken into account.
- 18.2. In so far as the existing provident fund, gratuity fund and pension and/ or superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created by Transferor Company II (collectively referred to as the "Funds"), the Funds and such of the investments made by the Funds which pertains/ relates to the employees of Transferor Company II shall be transferred to Transferee Company and shall be held for their benefit pursuant to this Scheme in the manner provided hereinafter. The Funds shall, subject to the necessary approvals and permissions and at the discretion of Transferee Company, either be continued as separate funds of Transferee Company for the benefit of the

employees of Transferor Company II or be transferred to and merged with other similar funds, if any, of Transferee Company. In the event that Transferee Company does not have its own funds in respect of any of the above, Transferee Company may, subject to necessary approvals and permissions, continue to contribute to the relevant Funds of Transferor Company II, until such time that Transferee Company creates its own fund, at which time the Funds and the investments and contributions pertaining to the employees of Transferor Company II shall be transferred to the funds created by Transferee Company. It is clarified that the services of the employees of Transferor Company II will be treated as having been continuous for the purpose of the said fund or funds.

- 18.3. With effect from the first of the dates of filing of this Scheme with the NCLT and up to and including the Effective Date, Transferor Company II shall not vary or modify the terms and conditions of employment of any of its said employees, except with the written consent of Transferee Company, unless it is in the ordinary course of business. However, the terms and conditions of their employment with Transferee Company shall be no less favourable than those on which they were engaged in Transferor Company II.

19. CONDUCT OF BUSINESS UNTIL THE SCHEME IS APPROVED BY NCLT / TRANSITION PERIOD

With effect from the Appointed Date and up to and including the Effective Date:

- 19.1. Transferor Company II undertakes to preserve and carry on its business, with reasonable diligence and business prudence and shall not undertake financial commitments or sell, transfer, alienate, charge, mortgage, or encumber or otherwise deal with or dispose of any undertaking or any part thereof save and except in each case:
- (a) if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with the NCLT; or
 - (b) if the same is expressly permitted by this Scheme; or

- (c) if the prior written consent of the Board of Directors of Transferee Company has been obtained.
- 19.2. Transferor Company II shall carry on and be deemed to have carried on all business and activities and shall stand possessed of all the assets, rights, title and interest of Transferor Company II for and on account of, and in trust for Transferee Company.
- 19.3. All profits and cash accruing to or losses arising or incurred (including the effect of taxes if any thereon), by Transferor Company II, shall for all purposes, be treated as the profits and cash, taxes or losses of Transferee Company.
- 19.4. Transferee Company shall be entitled to apply to the Central Government and any other Government, or statutory or regulatory authorities/ agencies/ body concerned as are necessary under any law for such consents, approvals, licenses, registrations and sanctions which Transferee Company may require to carry on the business of Transferor Company II. For the avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of the bank accounts of Transferor Company II have been replaced with that of Transferee Company, Transferee Company shall be entitled to operate the bank accounts of Transferor Company II in the name of Transferor Company II in so far as may be necessary. All cheques and negotiable instruments, payment orders received or presented for encashment which are in the name of Transferor Company II after the Effective Date shall be accepted by the bankers of Transferee Company and credited to the account of Transferee Company, if presented by Transferee Company. Similarly, till the time any regulatory registrations of Transferor Company II are closed / suspended and regulatory filings are required to be done on such registrations, Transferee Company shall be entitled to do so to comply with the relevant regulations.

20. SAVING OF CONCLUDED TRANSACTIONS

20.1. The transfer and vesting of the assets, liabilities and obligations pertaining / relating to Transferor Company II, pursuant to this Scheme, and the continuance of the proceedings by or against Transferee Company, under Clause 17 hereof shall not affect any transactions or proceedings already completed by Transferor Company II, on and after the Appointed Date to the end and intent that Transferee Company accepts all acts, deeds and things done and executed by and/ or on behalf of Transferor Company II, as acts, deeds and things done and executed by and on behalf of Transferee Company.

21. CONSIDERATION

21.1. Transferor Company II is a wholly-owned subsidiary of Transferee Company. Hence, upon the Scheme becoming effective and amalgamation of Transferor Company II with Transferee Company in terms of Part III of this Scheme, all the equity shares issued by Transferor Company II and held by Transferee Company and/ or its nominees shall stand cancelled and extinguished and in lieu thereof, no allotment of any shares in Transferee Company shall be made to any person whatsoever.

22. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY

Upon the Scheme becoming effective and with effect from the Appointed Date, the Amalgamation of Transferor Company II with Transferee Company shall be accounted as per the "Pooling of Interest Method' under the Indian Accounting Standard 103 – “Business Combinations” notified under Section 133 of the Act read with relevant rules issued thereunder and other applicable accounting standards prescribed under the Act.

- 22.1. With effect from the Appointed Date, Transferee Company shall record the assets, liabilities and reserves (whether capital or revenue or arising on revaluation) of Transferor Company II vested in it pursuant to this Scheme, at their respective book values thereof and in the same form as appearing in the books of Transferor Company II at the close of the business of the day immediately preceding the Appointed Date, except to ensure uniformity in accounting policies as provided in Clause 22.4 below;
- 22.2. The value of the investments in the shares of Transferor Company II as held by Transferee Company inter-se shall stand cancelled, without any further act or deed;
- 22.3. The inter-company loans, advances, deposits or other obligations between Transferor Company II and Transferee Company, if any, will stand cancelled and there shall be no further obligation in that behalf;
- 22.4. Further, in case of any differences in accounting policy between Transferee Company and Transferor Company II, the accounting policy followed by Transferee Company will prevail and the differences shall be adjusted in Capital Reserves of Transferee Company, to ensure that the financial statements of Transferee Company reflect the financial position on the basis of consistent accounting policy;

22.5. The difference arising between the net assets recorded in the books of Transferee Company as mentioned in Clause 22.1 and cancellation of investments, inter-company loans advances and deposits as mentioned in Clause 22.2 and 22.3 shall be adjusted against the Capital Reserves of Transferee Company;

23. TREATMENT OF TAXES

23.1. This Scheme has been drawn up to comply with the conditions relating to “Amalgamation” as specified in Section 2(1B) and other relevant provisions of the Income tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section and other relevant provisions at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section and relevant provisions of Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent required to comply with Section 2(1B) and other relevant provisions of the Income-tax Act, 1961.

23.2. All taxes of any nature, duties, cess or any other like payments or deductions made by Transferor Company II to any statutory authorities such as Income tax, Sales tax, Service tax, Value added tax, Goods and Services tax etc. or any tax deduction/ collection at source, relating to the period after the Appointed Date and up to the Effective Date shall be deemed to have been on account of and on behalf of Transferee Company and the relevant authorities shall be bound to transfer to the account of and give credit for the same to Transferee Company upon the passing of the order on this Scheme by the NCLT or any other appropriate authority and upon relevant proof and documents being provided to the said authorities.

- 23.3. Without prejudice to the generality of the above, all benefits including claim of tax deduction at source, tax collection at source, advance tax and self-assessment tax and any similar credits or balances under the income tax, sales tax, excise duty, customs duty, service tax, GST, VAT, etc., to which Transferor Company II is entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in Transferee Company. Similarly, the unabsorbed depreciation and brought forward losses of Transferor Company II as considered for the purposes of Explanation 1 to Section 115JB (2) of the Income-tax Act, 1961 shall stand transferred to Transferee Company and Transferee Company shall consolidate the same with its unabsorbed depreciation and brought forward losses for the purpose of Explanation 1 to Section 115JB (2) of the Income-tax Act, 1961. Similarly any unabsorbed interest expenditure entitled to be carried forward under section 94B(4) of the Income-tax Act, 1961 of Transferor Company II shall consolidate with that of Transferee Company.
- 23.4. Transferee Company is expressly permitted to revise its tax returns as permissible under applicable law, including tax deducted at source certificates/ returns and to claim refunds, advance tax credits, tax loss, excise and service tax credits, input tax credits, set off etc. upon coming into effect of this Scheme. Its right to make revisions in the related tax returns and tax certificates, as applicable, and the right to claim refunds, adjustments, credits, set offs, advance tax credits, tax losses, MAT credit pursuant to the sanction of this Scheme and the Scheme becoming effective is expressly reserved.

PART IV: GENERAL TERMS AND CONDITIONS

24. CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

- 24.1. The requisite consent, approval or permission of the Central Government or any Government Authorities, which by law may be necessary for the implementation of this Scheme;
- 24.2. Sanction of this Scheme in entirety by the jurisdictional NCLT;
- 24.3. All other sanctions and approvals as may be required by law in respect of this Scheme being obtained.

25. COMPLIANCE WITH SEBI REGULATIONS

- 25.1. The Transferee Company will comply with the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI Circulars, Listing Agreements, SEBI Regulations, other applicable provisions, if any, in connection with this Scheme and other connected matters.
- 25.2. Since the present Scheme solely provides for amalgamation of wholly owned subsidiaries with their holding companies, no formal approval, NOC or vetting is required from the Stock Exchange(s) or SEBI for the Scheme, in terms of the provisions of the SEBI Circular and any other applicable provisions, if any.

- 25.3. In terms of the SEBI Scheme Circular, the present Scheme of Amalgamation is only required to be filed with the Stock Exchange(s) for the purpose of disclosure and dissemination on their websites.

26. COMBINATION OF AUTHORISED SHARE CAPITAL

- 26.1. On coming into effect of this Scheme:

- i. The authorized share capital of Transferor Company I shall be deemed to have been reclassified into equity shares of Rs. 1 each and shall stand transferred to and be amalgamated with the authorized share capital of Transferee Company without any requirement of any further act, instrument or deed on the part of Transferee Company, including payment of stamp duty and fees payable to the relevant Registrar of Companies, and
- ii. The authorized share capital of Transferor Company II shall be deemed to have been reclassified into equity shares of Rs. 1 each and shall stand transferred to and be amalgamated with the authorized share capital of Transferee Company without any requirement of any further act, instrument or deed on the part of Transferee Company, including payment of stamp duty and fees payable to the relevant Registrar of Companies, and
- iii. the authorized share capital of Transferee Company shall automatically stand increased, by the authorized share capital of Transferor Company I amounting to 1,50,24,93,820 (Rupees One Hundred and Fifty Crores Twenty Four Lakh Ninety Three Thousand Eight Hundred and Twenty) and by the authorized share capital of Transferor Company II amounting to 2,55,00,00,000 (Rupees Two Hundred and Fifty Five Crores), without any further act or deed on the part of Transferee

Company, including payment of stamp duty and fees payable to the relevant Registrar of Companies, and the Memorandum of Association and Articles of Association of Transferee Company accordingly without any further act or deed be and stand altered, modified and amended, and the consent of the shareholders of be deemed to be sufficient no further resolution(s) under Section 13, Section 61 or any other applicable provisions of the Act, would be required to be separately passed. For this purpose, the filing fees and stamp duty already paid by Transferor Company I and Transferor Company II towards their respective authorized share capital shall be utilized and applied to and set off against any fees payable on the increased authorized share capital of Transferee Company and shall be deemed to have been so paid by Transferee Company on such combined authorized share capital and accordingly, Transferee Company shall not be required to pay any fees/ stamp duty on the authorized share capital so increased. However, for any additional increase in the authorized share capital as required necessary differential fees as per the provisions of the Act and stamp duty would be required to be paid.

- 26.2. Pursuant to the Scheme and after the Scheme becomes effective, the authorized share capital of Transferee Company will be INR 6,66,39,93,820 (Rupees Six Hundred and Sixty Six Crores Thirty Nine Lakhs Ninety Three Thousand Eight Hundred and Twenty Only) divided into 4,54,29,93,820 (Four Hundred Fifty Four Crores Twenty Nine Lakhs Ninety Three Thousand Eight Hundred and Twenty Only) equity shares of Rs. 1/- (One) each and 2,12,10,000 (Two Crores Twelve Lakhs Ten Thousand Only) preference shares of Rs. 100/- (Hundred) each.
- 26.3. It is clarified that the approval of the members of Transferee Company to the Scheme shall be deemed to be their consent/approval also to the alteration of the Memorandum and Articles of Association of Transferee Company as may be required under the Act, and Clause V of the Memorandum of Association of Transferee Company shall respectively stand substituted by virtue of the Scheme to read as follows:
- 26.4. *"The Share Capital of the Company is Rupees 6,66,39,93,820 Only divided into 4,54,29,93,820 equity shares of Rupees 1) each and 2,12,10,000 preference shares of Rupees 100 each "*

27. APPLICATION TO THE NCLT

- 27.1. The Parties shall, with all reasonable dispatch, make necessary applications to the NCLT where the respective registered offices of Parties are situated, for convening and/or seeking exemption to convene meetings of shareholders/ creditors and for sanctioning this Scheme under Sections 230 to 232 and other applicable provisions of the Act, for an order thereof, for carrying this Scheme into effect and for the consequent dissolution of Transferor Company I and Transferor Company II without winding up.

28. MODIFICATIONS / AMENDMENTS TO THE SCHEME

The Parties, by their respective Board of Directors may assent to any modifications/ amendments to the Scheme or to any conditions or limitations that the NCLT and/or any other authority, as may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors). The Parties, by their respective Board of Directors be and are hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions of law or otherwise, whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith. The aforesaid powers of the Board shall be exercised with the approval of the NCLT.

29. DISSOLUTION WITHOUT WINDING-UP OF TRANSFEROR COMPANY I AND TRANSFEROR COMPANY II

On the Scheme becoming effective, Transferor Company I and Transferor Company II shall stand dissolved without being wound up without any further act by the parties. On and with effect from the Effective Date, the name of Transferor Company I and Transferor Company II shall be struck-off from the records of the relevant ROC. Transferee Company shall make all necessary filings in this regard. Any obligations/ steps which need to be undertaken by Transferor Company I or Transferor Company II pursuant to the sanction of this Scheme shall be fulfilled by Transferee Company.

30. EFFECT OF NON-RECEIPT OF APPROVALS

- 30.1. In the event of any of the said sanctions and approvals referred to in Clause 24 not being obtained and/ or the Scheme not being sanctioned by the NCLT or such other appropriate authority, if any, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law and agreed between the respective parties to this Scheme. Each Party shall bear and pay its respective costs, charges and expenses for and or in connection with the Scheme unless otherwise mutually agreed.
- 30.2. The Board of Directors of Transferor Company I or Transferor Company II or Transferee Company shall be entitled to withdraw this scheme. Further the Board of Directors of the Parties shall be entitled to revoke, cancel and declare the Scheme to be of no effect if the Board of Directors of the Parties are of the view that the coming into effect of the Scheme in terms of the provisions of this Scheme of filing of the drawn up orders with any authority could have an adverse implication(s) on all or any of the Parties.

31. SEVERABILITY

- 31.1. Each Part of the Scheme is independent of other Parts and is severable. The Scheme shall be effective only upon passing of the order by the NCLT. However, (i) failure of any one Part for lack of necessary approval from the members, creditors or any appropriate authority or for any other reason that the concerned Board may deem fit; or (ii) the concerned Boards coming to the conclusion that it is inexpedient or inefficient to give effect to any Part or any transaction contemplated therein, shall not result in the whole Scheme failing. It shall be open to the concerned Boards to consent to sever such Part(s) of the Scheme or any transaction contemplated therein and implement the rest of the Scheme with such modifications
- 31.2. If any part of this Scheme is found to be unworkable or unenforceable for any reason whatsoever, the same shall not, subject to the decision of the Companies through their respective Boards, affect the validity or implementation of the other parts and/ or provisions of this Scheme.

32. COSTS, CHARGES AND EXPENSES

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

33. NO CAUSE OF ACTION

No third party claiming to have acted or changed his position in anticipation of this Scheme taking effect, shall get any cause of action against the Parties or their directors or officers, if this Scheme does not take effect or is withdrawn, amended, modified for any reason whatsoever.

// Certified True Copy //

For AUROBINDO PHARMA LIMITED

B. ADI REDDY
COMPANY SECRETARY

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