

**COMPOSITE SCHEME OF ARRANGEMENT  
AMONGST  
PIRAMAL ENTERPRISES LIMITED  
AND  
PIRAMAL PHARMA LIMITED  
AND  
CONVERGENCE CHEMICALS PRIVATE LIMITED  
AND  
HEMMO PHARMACEUTICALS PRIVATE LIMITED  
AND  
PHL FININVEST PRIVATE LIMITED  
AND  
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS  
UNDER SECTIONS 230-232 AND OTHER APPLICABLE PROVISIONS OF THE  
COMPANIES ACT, 2013**

**CERTIFIED TRUE COPY**

**For Piramal Enterprises Limited**

**Bipin Singh  
Company Secretary**

## PART A - GENERAL

### 1. PREAMBLE

1.1 This composite scheme of arrangement is presented under Sections 230 to 232 and other applicable provisions of the Act (*as defined hereinafter*) amongst Piramal Enterprises Limited ("PEL"), Piramal Pharma Limited ("PPL"), Convergence Chemicals Private Limited ("CCPL"), Hemmo Pharmaceuticals Private Limited ("HPPL"), PHL Fininvest Private Limited ("PFPL"), and their respective shareholders and creditors.

1.2 The Scheme (*as defined hereinafter*), *inter alia*, provides for:

- (i) the Demerger (*as defined hereinafter*) of the Demerged Undertaking (*as defined hereinafter*) of PEL, i.e. the Demerged Company (*as defined hereinafter*) into PPL, i.e. the Resulting Company (*as defined hereinafter*) for the purposes of the Demerger;
- (ii) the Pharma Amalgamations (*as defined hereinafter*) of CCPL i.e. the Amalgamating Pharma Company 1 (*as defined hereinafter*) and HPPL i.e. the Amalgamating Pharma Company 2 (*as defined hereinafter*) with PPL, i.e. the Amalgamated Pharma Company (*as defined hereinafter*) for the purposes of the Pharma Amalgamations;
- (iii) the FS Amalgamation (*as defined hereinafter*) of PFPL i.e. the Amalgamating FS Company (*as defined hereinafter*) with PEL, i.e. the Amalgamated FS Company (*as defined hereinafter*) for the purposes of the FS Amalgamation;
- (iv) various other matters consequential or otherwise integrally connected therewith;

each in the manner as more particularly described in this Scheme.

### 2. BACKGROUND

2.1 PEL was incorporated on April 26, 1947 under the provisions of the Indian Companies Act, 1913, and is a public limited company within the meaning of the Act, having CIN - L24110MH1947PLC005719. Its registered office is at Piramal Ananta, Agastya Corporate Park, Kamani Junction, LBS Marg, Kurla (West), Mumbai- 400070, Maharashtra. PEL is engaged in the business of (i) providing financial services, including wholesale and retail lending services, directly and indirectly; and (ii) the pharmaceutical sector, directly and indirectly, including through its subsidiary, PPL, comprising (a) contract development and manufacturing organization services, ranging from discovery clinical development to commercial manufacturing of active pharmaceutical ingredients vitamins and mineral pre-mixes and formulations; (b) manufacturing, selling and distributing complex hospital generics including inhalation anaesthesia, injectable anaesthesia, intrathecal spasticity and pain management and select antibiotics; and (c) manufacturing, marketing and distributing consumer healthcare products. The equity shares of PEL are listed on the Stock Exchanges (*as defined hereinafter*).





The non-convertible debentures issued by PEL are listed on the wholesale debt market of the NSE and BSE.

- 2.2** PPL was incorporated on March 4, 2020 under the provisions of the Companies Act, 2013, and is a public limited company within the meaning of the Act, having CIN - U24297MH2020PLC338592. Its registered office is at Gr. Flr., Piramal Ananta, Agastya Corporate Park, Kamani Junction, LBS Marg, Kurla (West), Mumbai- 400070, Maharashtra. PPL is a subsidiary of PEL and is primarily engaged, directly and indirectly, (i) in the business of contract development and organization services, ranging from discovery clinical development to commercial manufacturing of active pharmaceutical ingredients, formulations; (ii) business of manufacturing, selling and distribution of complex hospital generics including inhalation anesthesia injectable anaesthesia, intrathecal spasticity and pain management and select antibiotics; and (iii) developing and marketing of consumer healthcare products.
- 2.3** CCPL was incorporated on November 19, 2014 under the provisions of the Companies Act, 2013 and is a private limited company within the meaning of the Act, having CIN - U24100GJ2014PTC081290. Its registered office is at Plot No D-2/11/A1 G.I.D.C. Phase-II Dahej Tal Vagra Dahej Bharuch- 392130, Gujarat. CCPL is a wholly owned subsidiary of PPL and is primarily engaged in the business of developing, manufacturing and selling speciality fluorochemicals. The Board of CCPL has on October 7, 2021 approved the change of registered office of CCPL to Maharashtra from Gujarat, subject to the receipt of approval from the shareholders of CCPL and the Appropriate Authority. It is proposed that CCPL's registered office will be changed to Maharashtra from Gujarat prior to the filing of the Scheme with the NCLT for sanction.
- 2.4** HPPL was incorporated on November 7, 1979 under the provisions of the Companies Act, 1956 and is a private limited company within the meaning of the Act, having CIN - U17100MH1979PTC021857. Its registered office is at 114, Turf Estate, 3/65, off Dr. E. Moses Road, Mahalaxmi, Mumbai - 400011, Maharashtra. HPPL is a wholly owned subsidiary of PPL and is primarily engaged in the business of manufacturing and development of synthetic peptide, an active pharmaceutical ingredient.
- 2.5** PFPL was incorporated on June 8, 1994 under the provisions of the Companies Act, 1956 and is a private limited company within the meaning of the Act, having CIN - U67120MH1994PTC078840. Its registered office is at 4th Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400013, Maharashtra. PFPL is a wholly owned subsidiary of PEL. PFPL is a Systemically Important Non-Deposit taking Non-Banking Finance Company, issued a registration certificate no. B-13.01347 dated June 26, 2000, by the RBI (*as defined hereinafter*) under section 45-IA of the Reserve Bank of India Act, 1934 to commence / carry on the business of non-banking financial institution without accepting public deposits. PFPL is primarily engaged in the business of lending and investment. The non-convertible debentures issued by PFPL are listed on the wholesale debt segment of the BSE and debt segment of the NSE.



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### 3. RATIONALE AND OBJECTIVE OF THE SCHEME

- 3.1 The businesses presently undertaken by PEL (directly and indirectly) comprise the pharmaceutical business and the financial services business, both of which have different requirements and are operated independent of each other as separate business verticals. The requirements of each business, including in terms of capital, operations, knowledge, nature of risk, competitive advantages and strategies, and regulatory compliances are very distinct when compared with the other. Each of these business verticals are significantly large and mature, and have a distinct attractiveness to divergent set of investors, strategic partners and other stakeholders. The depth, scale of operations and growth potential of these distinct businesses has been significantly augmented by the recent transactions undertaken in respect of the pharmaceutical business (being the strategic investment by the Carlyle Group) and the financial services business (being the merger of Dewan Housing Finance Corporation Limited and Piramal Capital & Housing Finance Limited, a wholly owned subsidiary of PEL).
- 3.2 Therefore, in the wake of the aforesaid landmark transactions, this being an opportune time to unlock the potential value of each business vertical, it is proposed through this Scheme, to: (i) completely segregate the pharmaceutical and the financial services businesses and create two strong and distinctive platforms and flagship listed entities; (ii) realign the pharmaceutical business and the financial services business to rationalize, simplify and streamline the group structure with the domestic pharmaceutical business being consolidated under PPL, and PEL continuing to focus primarily on the financial services business directly (with consolidation of the lending business across PEL and PFPL under PEL post the merger of PFPL) and indirectly (including through subsidiaries and associate companies).
- 3.3 The proposed Demerger will not only facilitate pursuit of scale and independent growth plans (organically and inorganically) with more focused management and flexibility as well as liquidity for shareholders (following the listing of the shares of PPL pursuant to the Scheme) but also insulate and de-risk both the businesses from each other and allow potential investors and other stakeholders the option of being associated with the business of their choice.
- 3.4 In order to comprehensively restructure and streamline the pharmaceutical business in India under PPL, it is also proposed to merge CCPL and HPPL, being wholly owned subsidiaries of PPL engaged in the pharmaceutical business, allowing the pharmaceutical business in India, currently conducted by PPL directly and through its Indian subsidiaries to be consolidated with PPL, which is also expected to enable faster decision making. Allergan India Private Limited, an associate company of PPL, will, however, continue to operate independently in the specialty pharmaceutical sector.
- 3.5 In addition to the above, to restructure the financial services business, it is proposed to merge PFPL with PEL. In addition to the establishment of a distinct platform with dedicated focus on the financial services business as mentioned above, the merger of PFPL, being a wholly owned subsidiary of PEL, will enable the consolidation of the lending business across PEL and PFPL in PEL and streamlining of the group structure in a manner that results in the creation of a single non-banking





financial company ("NBFC") entity which is regulated by the RBI, (subject to requisite approvals) and holds distinct entities engaged in diverse aspects of the financial services business such as housing finance, asset management and merchant banking.

3.6 In view of the abovementioned reasons and in order to avoid multiplicity of schemes and the consequent increase in cost, time, resources and effort that may have to be expended by the Companies, the NCLT and the Appropriate Authorities, it is considered desirable and expedient to implement this Scheme as a composite scheme.

3.7 In furtherance of the aforesaid, this Scheme provides for the following:

- (i) the transfer by way of a demerger of the Demerged Undertaking of the Demerged Company to the Resulting Company, the consequent issue of equity shares by the Resulting Company to the shareholders of the Demerged Company in accordance with the Share Entitlement Ratio (*as defined hereinafter*) ("**Demerger**"). Pursuant to the Demerger, the equity shares of the Resulting Company, forming part of the Demerged Undertaking shall stand cancelled;
- (ii) the amalgamation of Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2, both being wholly owned subsidiaries of Amalgamated Pharma Company, into the Amalgamated Pharma Company and consequent dissolution of Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2 without winding up and the cancellation of the equity shares of Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2 held by the Amalgamated Pharma Company and its nominee shareholder ("**Pharma Amalgamations**");
- (iii) the amalgamation of Amalgamating FS Company, a wholly owned subsidiary of the Amalgamated FS Company, into the Amalgamated FS Company and consequent dissolution of Amalgamating FS Company without winding up and the cancellation of the equity shares of Amalgamating FS Company held by the Amalgamated FS Company and joint shareholders ("**FS Amalgamation**"); and
- (iv) various other matters consequential or integrally connected therewith;

pursuant to Sections 230 to 232 and other applicable provisions of the Act in the manner provided for in this Scheme and in compliance with the provisions of the SEBI Scheme Circular (*as defined hereinafter*) and the IT Act (*as defined hereinafter*), including Sections 2(1B) and 2(19AA) thereof.

3.8 Following the FS Amalgamation, PEL will become an NBFC and is proposed to obtain a certificate of registration/license to operate as an NBFC from the RBI and PFPL will surrender its certificate of registration/license to the RBI.



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#### 4. OPERATION OF THE SCHEME

4.1 The Demerger of the Demerged Undertaking in accordance with this Scheme shall take effect from the Appointed Date (*as defined hereinafter*) and shall be in accordance with Section 2(19AA) of the IT Act, such that:

- (i) All the properties of the Demerged Undertaking as on the Appointed Date shall be transferred to and become the properties of the Resulting Company by virtue of this Scheme;
- (ii) All the liabilities relating to the Demerged Undertaking, as on the Appointed Date shall become the liabilities of the Resulting Company by virtue of this Scheme;
- (iii) The properties and the liabilities relating to the Demerged Undertaking shall be transferred to the Resulting Company at the value appearing in the books of accounts of the Demerged Company immediately before the Demerger;
- (iv) The Resulting Company shall issue, in consideration of the Demerger, its equity shares to all the shareholders of the Demerged Company as on the Demerger Record Date on a proportionate basis, in accordance with this Scheme;
- (v) All the shareholders of the Demerged Company as on the Demerger Record Date shall become the shareholders of the Resulting Company by virtue of this Demerger;
- (vi) The transfer of the Demerged Undertaking shall be on a going concern basis; and
- (vii) The Demerger is in accordance with the conditions, if any, notified under sub-section (5) of section 72A of the IT Act, by the Central Government in this behalf.

4.2 The Pharma Amalgamations of the Amalgamating Pharma Companies with the Amalgamated Pharma Company in accordance with this Scheme will be in compliance with the provisions of Sections 230 to 232 and other relevant provisions of the Act and Section 2(1B) of the IT Act, such that:

- (i) all the properties/assets of the Amalgamating Pharma Companies, immediately before the Pharma Amalgamations, shall become the property/assets of the Amalgamated Pharma Company, by virtue of the Pharma Amalgamations; and
- (ii) all the liabilities of the Amalgamating Pharma Companies, immediately before the Pharma Amalgamations, shall become the liabilities of the Amalgamated Pharma Company, by virtue of the Pharma Amalgamations.

4.3 The FS Amalgamation of the Amalgamating FS Company with the Amalgamated FS Company in accordance with this Scheme will be in compliance with the provisions of Sections 230 to 232 and other relevant provisions of the Act and





Section 2(1B) of the IT Act, such that:

- (i) all the properties/assets of the Amalgamating FS Company, immediately before the FS Amalgamation, shall become the property/assets of the Amalgamated FS Company, by virtue of the FS Amalgamation; and
- (ii) all the liabilities of the Amalgamating FS Company, immediately before the FS Amalgamation, shall become the liabilities of the Amalgamated FS Company, by virtue of the FS Amalgamation.

**4.4** In terms of Section 2(1B) of the IT Act, the condition of shareholders holding not less than three-fourths in value of the shares in the amalgamating companies becoming shareholders of the amalgamated company by virtue of the amalgamation, is not relevant in respect of both the Pharma Amalgamations and the FS Amalgamation as both involve amalgamation of wholly owned subsidiaries (Amalgamating Pharma Companies and Amalgamating FS Company) with their respective holding companies (Amalgamated Pharma Company / Amalgamated FS Company, as the case may be), and therefore the shareholding of the Amalgamated Pharma Company and its nominee in the Amalgamating Pharma Companies and the Amalgamated FS Company and joint shareholders in the Amalgamating FS Company respectively, shall stand cancelled by virtue of this Scheme.

**4.5** If any of the terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of Section 2(1B) or Section 2(19AA) of the IT Act with respect to the Demerger, Pharma Amalgamations and/or FS Amalgamation, respectively, at a later date, including as a result of any amendment of law or for any other reason whatsoever, the provisions of Section 2(1B) and Section 2(19AA) of the IT Act, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) and Section 2(19AA) of the IT Act. Such modifications shall however not affect the other parts of the Scheme.

## **5. PARTS OF THE SCHEME**

**5.1** The Scheme is divided into following parts:

- (i) **Part A** deals with background of the Companies, rationale and objective and overview of the Scheme;
- (ii) **Part B** deals with the definitions, interpretation and share capital structure of the Companies;
- (iii) **Part C** deals with transfer and vesting of the Demerged Undertaking into the Resulting Company on a going concern basis in accordance with Sections 230 to 232 and other applicable provisions of the Act and in terms of Section 2(19AA) of the IT Act;
- (iv) **Part D** deals with the amalgamation of Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2 into the Amalgamated Pharma Company in accordance with Sections 230 to 232 and other applicable provisions of the Act and in terms of Section 2(1B) of the IT Act, and



consequent dissolution, without winding up, of the Amalgamating Pharma Companies;

- (v) **Part E** deals with the amalgamation of Amalgamating FS Company into the Amalgamated FS Company in accordance with Sections 230 to 232 and other applicable provisions of the Act and in terms of Section 2(1B) of the IT Act, and consequent dissolution, without winding up, of the Amalgamating FS Company;
- (vi) **Part F** deals with the general terms and conditions applicable to the Scheme.

## **PART B - DEFINITIONS, INTERPRETATION AND SHARE CAPITAL STRUCTURE**

### **6. DEFINITIONS**

**6.1** In this Scheme, unless inconsistent with or repugnant to the subject or context, the following expressions shall have the meanings respectively assigned against them:

- (i) **“Accounting Standards”** means the Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time, as per Section 133 of the Act issued by the Ministry of Corporate Affairs and the other generally accepted accounting principles in India;
- (ii) **“Act”** means the Companies Act, 2013, the rules and regulations made thereunder and shall include any statutory modification(s) or re-enactment(s) thereof for the time being in force;
- (iii) **“Amalgamated FS Company”** means PEL, to which the Amalgamating FS Company shall stand amalgamated and transferred pursuant to and in accordance with the terms of the Scheme;
- (iv) **“Amalgamated FS Undertaking”** means all the businesses, undertakings, activities, operations and properties of the Amalgamating FS Company, of whatsoever nature and kind and wheresoever situated, as a going concern, including but not limited to, the following:
  - (a) all immovable properties and rights thereto i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) including roads, drains and culverts, civil works, foundations for civil works, buildings, warehouses, offices, etc., of the Amalgamating FS Company whether or not recorded in the books of accounts and all documents (including panchnamas, declarations, deeds or receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest, benefits and interests of rental agreements for lease or license or other rights to use of premises, in connection with the said immovable properties;





- (b) all assets, as are movable in nature, whether present or future or contingent, tangible or intangible, in possession or not, corporeal or incorporeal, in each case, wherever situated (including furniture, fixtures, fixed assets, computers, air conditioners, appliances, accessories, office equipment, communication facilities, installations and vehicles), actionable claims, earnest monies and sundry debtors, prepaid expenses, bills of exchange, promissory notes, financial assets, investment and shares in entities/ branches/ offices, outstanding loans and advances, recoverable in cash or in kind or for value to be received, receivables, funds, cash and bank balances and deposits including accrued interest thereto with any Appropriate Authority, banks, customers and other persons, dividends declared or interest accrued thereon, reserves, provisions, funds, benefits of all agreements, shares, bonds, debentures, debenture stock, units or pass through certificates, securities, the benefits of any bank guarantees, performance guarantees, and tax related assets/credits, including but not limited to goods and service tax input credits, service tax input credits, central value added tax credits, value added/ sales tax/ entry tax credits or set-offs, advance tax, withholding tax/ TDS, taxes withheld/ paid in a foreign country, self-assessment tax, regular tax, minimum alternate tax, dividend distribution tax, securities transaction tax, surcharge, cess, deferred tax assets/ liabilities, accumulated losses under the IT Act and allowance for unabsorbed depreciation under the IT Act, losses brought forward and unabsorbed depreciation as per the books of account, tax refunds, rights of any claim not made by the Amalgamating FS Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made and any interest thereon, with regard to any law, act or rule or scheme made by the Appropriate Authority;
- (c) all permits, right of way, authorisations, clearances, benefits, registrations, rights, entitlements credits, certificates, awards, sanctions, allotments, quotas, and other licences, no objection certificates, exemptions, pre-qualifications, bids, tenders, letters of intent, expressions of interest, memoranda of understanding or similar instruments, (whether vested or potential and whether under agreements or otherwise), permissions, approvals, privileges, memberships, consents, subsidies, income tax benefits and exemptions including the right to deduction for the residual period, i.e. for the period remaining as on the Appointed Date out of the total period for which the deduction is available in law if the amalgamation pursuant to this Scheme had not taken place, all other rights including sales tax deferrals and exemptions and other benefits, (in each case including the benefit of any applications made therefore), receivables, and liabilities related thereto, utilities, electricity and other services, provisions and benefits of all agreements, contracts and arrangements and all other interests (including all tenancies, leases, and other assurances in favour of the Amalgamating FS Company or powers or authorities granted by or



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to it) in connection with or relating to the Amalgamating FS Company;

- (d) all contracts, agreements, purchase orders/ service orders, operation and maintenance contracts, memoranda of understanding/ undertakings/ agreements, memoranda of agreed points, bids, tenders, tariff policies, expressions of interest, letters of intent, hire and purchase arrangements, power purchase agreements, tenancy rights, agreements 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, trade union arrangements, settlements, collective bargaining schemes, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether vested or potential and written, oral or otherwise and all rights, title, interests, assurances, claims and benefits thereunder forming part of the business of the Amalgamating FS Company;
- (e) all insurance policies of the Amalgamating FS Company;
- (f) all Intellectual Property, applications, registrations, goodwill, trade names, service marks, copyrights, patents, project designs, marketing authorization, approvals, marketing intangibles, permits, permissions, incentives, privileges, special status, domain names, designs, trade secrets, research and studies, technical knowhow, confidential information and other benefits (in each case including the benefit of any applications made for the same) and all such rights of whatsoever description and nature of the Amalgamating FS Company;
- (g) all rights to use and avail telephones, 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 belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Amalgamating FS Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Amalgamating FS Company;
- (h) all books, records, files, papers, process information and drawings, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, and all other records and documents, whether in physical or electronic form, relating to business activities and operations of the Amalgamating FS Company;





- (i) all Liabilities of the Amalgamating FS Company, whether provided for or not in the books of account or disclosed in the balance sheet;
  - (j) the employees of the Amalgamating FS Company including Liabilities with regard to the said employees, with respect to the payment of gratuity, superannuation, pension benefits and provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, retrenchment or otherwise, as on the Effective Date; and
  - (k) all legal or other proceedings of whatsoever nature of the Amalgamating FS Company;
- (v) **“Amalgamated Pharma Company”** means PPL, to which the Amalgamating Pharma Companies shall stand amalgamated and transferred pursuant to and in accordance with the terms of the Scheme;
- (vi) **“Amalgamated Pharma Undertaking 1”** means all the businesses, undertakings, activities, operations and properties of Amalgamating Pharma Company 1, of whatsoever nature and kind and wheresoever situated, as a going concern, including but not limited to, the following:
- (a) all immovable properties and rights thereto i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) including roads, drains and culverts, civil works, foundations for civil works, buildings, warehouses, offices, etc., of Amalgamating Pharma Company 1 whether or not recorded in the books of accounts of Amalgamating Pharma Company 1 and all documents (including panchnamas, declarations, deeds or receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest, benefits and interests of rental agreements for lease or license or other rights to use of premises, in connection with the said immovable properties;
  - (b) all assets, as are movable in nature, whether present or future or contingent, tangible or intangible, in possession or not, corporeal or incorporeal, in each case, wherever situated (including plant and machinery, capital work in progress, furniture, fixtures, fixed assets, computers, air conditioners, appliances, accessories, office equipment, communication facilities, installations, vehicles, inventories, stock in trade, stores and spares, packing material, raw material, tools and plants), actionable claims, earnest monies and sundry debtors, prepaid expenses, bills of exchange, promissory notes, financial assets, investment and shares in entities/ branches/ offices, outstanding loans and advances, recoverable in cash or in kind or for value to be received, receivables, funds, cash and bank balances and deposits including accrued interest thereto with any Appropriate Authority, banks, customers and other persons, dividends declared or interest accrued thereon, reserves, provisions, funds, benefits of all agreements, shares, bonds, debentures,



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debenture stock, units or pass through certificates, securities, the benefits of any bank guarantees, performance guarantees and tax related assets/credits, including but not limited to goods and service tax input credits, service tax input credits, central value added tax credits, value added/ sales tax/ entry tax credits or set-offs, advance tax, withholding tax/ TDS, taxes withheld/ paid in a foreign country, self-assessment tax, regular tax, minimum alternate tax, dividend distribution tax, securities transaction tax, surcharge, cess, deferred tax assets/ liabilities, accumulated losses under the IT Act and allowance for unabsorbed depreciation under the IT Act, losses brought forward and unabsorbed depreciation as per the books of account, tax refunds, rights of any claim not made by Amalgamating Pharma Company 1 in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by Amalgamating Pharma Company 1 and any interest thereon, with regard to any law, act or rule or scheme made by the Appropriate Authority;

- (c) all permits, licenses, permissions, right of way, approvals, authorisations, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, pre-qualifications, bid acceptances, concessions, subsidies, tax deferrals, and exemptions and other benefits (in each case including the benefit of any applications made for the same), if any, liberties and advantages, approval for commissioning of project and other licenses or clearances granted/ issued/ given by any governmental, statutory or regulatory or local or administrative bodies, organizations or companies;
- (d) all contracts, agreements, purchase orders/ service orders, operation and maintenance contracts, memoranda of understanding/ undertakings/ agreements, memoranda of agreed points, bids, tenders, tariff policies, expressions of interest, letters of intent, hire and purchase arrangements, power purchase agreements, tenancy rights, agreements 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, trade union arrangements, settlements, collective bargaining schemes, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether vested or potential and written, oral or otherwise and all rights, title, interests, assurances, claims and benefits thereunder forming part of the business of Amalgamating Pharma Company 1;



- (e) all insurance policies of Amalgamating Pharma Company 1;
- (f) all Intellectual Property of Amalgamating Pharma Company 1;



- (g) all rights to use and avail telephones, 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 belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by Amalgamating Pharma Company 1 and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by Amalgamating Pharma Company 1;
  - (h) 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 that form part of the business of Amalgamating Pharma Company 1;
  - (i) the Liabilities of Amalgamating Pharma Company 1;
  - (j) the employees of Amalgamating Pharma Company 1 including Liabilities with regard to the said employees, with respect to the payment of gratuity, superannuation, pension benefits and provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, retrenchment or otherwise, as on the Effective Date;
  - (k) all legal or other proceedings of whatsoever nature of Amalgamating Pharma Company 1.
- (vii) **“Amalgamated Pharma Undertaking 2”** means all the businesses, undertakings, activities, operations and properties of Amalgamating Pharma Company 2, of whatsoever nature and kind and wheresoever situated, as a going concern, including but not limited to, the following:
- (a) all immovable properties and rights thereto i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) including roads, drains and culverts, civil works, foundations for civil works, buildings, warehouses, offices, etc., of Amalgamating Pharma Company 2 whether or not recorded in the books of accounts of Amalgamating Pharma Company 2 and all documents (including panchnamas, declarations, deeds or receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing



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rights, title and interest, benefits and interests of rental agreements for lease or license or other rights to use of premises, in connection with the said immovable properties;

- (b) all assets, as are movable in nature, whether present or future or contingent, tangible or intangible, in possession or not, corporeal or incorporeal, in each case, wherever situated (including plant and machinery, capital work in progress, furniture, fixtures, fixed assets, computers, air conditioners, appliances, accessories, office equipment, communication facilities, installations, vehicles, inventories, stock in trade, stores and spares, packing material, raw material, tools and plants), actionable claims, earnest monies and sundry debtors, prepaid expenses, bills of exchange, promissory notes, financial assets, investment and shares in entities/ branches/ offices, outstanding loans and advances, recoverable in cash or in kind or for value to be received, receivables, funds, cash and bank balances and deposits including accrued interest thereto with any Appropriate Authority, banks, customers and other persons, dividends declared or interest accrued thereon, reserves, provisions, funds, benefits of all agreements, shares, bonds, debentures, debenture stock, units or pass through certificates, securities, the benefits of any bank guarantees, performance guarantees and tax related assets/credits, including but not limited to goods and service tax input credits, service tax input credits, central value added tax credits, value added/ sales tax/ entry tax credits or set-offs, advance tax, withholding tax/ TDS, taxes withheld/ paid in a foreign country, self-assessment tax, regular tax, minimum alternate tax, dividend distribution tax, securities transaction tax, surcharge, cess, deferred tax assets/ liabilities, accumulated losses under the IT Act and allowance for unabsorbed depreciation under the IT Act, losses brought forward and unabsorbed depreciation as per the books of account, tax refunds, rights of any claim not made by Amalgamating Pharma Company 2 in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by Amalgamating Pharma Company 2 and any interest thereon, with regard to any law, act or rule or scheme made by the Appropriate Authority;
- (c) all permits, licenses, permissions, right of way, approvals, authorisations, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, pre-qualifications, bid acceptances, concessions, subsidies, tax deferrals, and exemptions and other benefits (in each case including the benefit of any applications made for the same), if any, liberties and advantages, approval for commissioning of project and other licenses or clearances granted/ issued/ given by any governmental, statutory or regulatory or local or administrative bodies, organizations or companies;





- (d) all contracts, agreements, purchase orders/ service orders, operation and maintenance contracts, memoranda of understanding/ undertakings/ agreements, memoranda of agreed points, bids, tenders, tariff policies, expressions of interest, letters of intent, hire and purchase arrangements, power purchase agreements, tenancy rights, agreements 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, trade union arrangements, settlements, collective bargaining schemes, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether vested or potential and written, oral or otherwise and all rights, title, interests, assurances, claims and benefits thereunder forming part of the business of Amalgamating Pharma Company 2;
- (e) all insurance policies of Amalgamating Pharma Company 2;
- (f) all Intellectual Property of Amalgamating Pharma Company 2;
- (g) all rights to use and avail telephones, 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 belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by Amalgamating Pharma Company 2 and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by Amalgamating Pharma Company 2;
- (h) 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 that form part of the business of Amalgamating Pharma Company 2;
- (i) the Liabilities of Amalgamating Pharma Company 2;
- (j) the employees of Amalgamating Pharma Company 2 including Liabilities with regard to the said employees, with respect to the payment of gratuity, superannuation, pension benefits and provident fund or other compensation or benefits, if any, whether in the event



of resignation, death, retirement, retrenchment or otherwise, as on the Effective Date;

- (k) all legal or other proceedings of whatsoever nature of Amalgamating Pharma Company 2.
- (viii) **"Amalgamated Pharma Undertakings"** means Amalgamated Pharma Undertaking 1 and Amalgamated Pharma Undertaking 2 collectively;
- (ix) **"Amalgamating FS Company"** means PFPL;
- (x) **"Amalgamating Pharma Companies"** means Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2 collectively;
- (xi) **"Amalgamating Pharma Company 1"** means CCPL;
- (xii) **"Amalgamating Pharma Company 2"** means HPPL;
- (xiii) **"Applicable Law"** means any applicable statute, law, regulation, ordinance, rule, judgment, order, decree, clearance, approval, directive, guideline, press notes, requirement or any similar form of determination by or decision of any Appropriate Authority, in each case having the force of law, and that is binding or applicable to a person, whether in effect as of the date on which this Scheme has been approved by the Boards or at any time thereafter;
- (xiv) **"Appointed Date"** means opening of business on April 1, 2022 or such other date as the NCLT may direct/ allow;
- (xv) **"Appropriate Authority"** means any applicable supra-national, national, central, state, municipal, provincial, local or similar governmental, statutory, regulatory, administrative authority, agency, commission, legislative body, departmental or public body or authority, board, branch, tribunal or court or other entity in India or any other country where the Companies conduct their business authorized to make laws, rules, regulations, standards, requirements, procedures or to pass directions or orders, in each case having the force of law, or any non-governmental regulatory or administrative authority, body or other organization in India or any other country where the Companies conduct their business to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law, or any stock exchange of India or any other country where the Companies conduct their business including the Registrar of Companies, Regional Director, Competition Commission of India, RBI, SEBI, Stock Exchanges, National Company Law Tribunal, Tax department including the Central Board of Direct Taxes, income tax authorities, Central and State GST Departments and such other sectoral regulators or authorities as may be applicable;
- (xvi) **"Board"** in respect of a Company, means the board of directors of such Company in office at the relevant time, and, unless it is repugnant to the context, shall include a committee duly constituted and authorized thereby;





- (xvii) **"BSE"** means BSE Limited;
- (xviii) **"CCPL"** means Convergence Chemicals Private Limited, a private limited company and a wholly owned subsidiary of PPL incorporated under the provisions of the Companies Act, 2013, having its registered office is at Plot No D- 2/11/A1 G.I.D.C. Phase-II Dahej Tal Vagra Dahej Bharuch- 392130, Gujarat, hereinafter also referred to as the Amalgamating Pharma Company 1;
- (xix) **"Companies"** means PEL, PPL, PFPL, CCPL, and HPPL collectively, and **"Company"** means any one of them as the context may require;
- (xx) **"Debt Securities"** shall have the meaning set out in Clause 34.2(iii);
- (xxi) **"Demerged Company"** means PEL;
- (xxii) **"Demerged Liabilities"** shall have the meaning set out in Clause 10.2(ii);
- (xxiii) **"Demerged Undertaking"** means all the businesses, undertakings, activities, operations and properties of the Demerged Company, of whatsoever nature and kind and wheresoever situated, exclusively related to or pertaining to the conduct of, or the activities of, the Pharma Business as a going concern (which includes the Mahad Facility, and all the equity shares held by the Demerged Company in the Resulting Company, representing the Demerged Company's strategic investment in the Resulting Company), including but not limited to, the following:
- (a) all immovable properties and rights thereto i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) including roads, drains and culverts, civil works, foundations for civil works, buildings, warehouses, offices, etc., which immovable properties exclusively form part of the Pharma Business whether or not recorded in the books of accounts of the Demerged Company and all documents (including panchnamas, declarations, deeds or receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest, benefits and interests of rental agreements for lease or license or other rights to use of premises, in connection with the said immovable properties. Such properties include the following leasehold properties both pertaining to the Mahad Facility:
- (A) leasehold property under the lease deed dated September 22, 1997 entered into between Maharashtra Industrial Development Corporation and Boehringer Mannheim India Limited for lease of land admeasuring 1,40,250 sq. meters situated, at Plot K-1, Additional Mahad Industrial Area, Kalinj, Sub-District Mahad, District- Raigad; and
- (B) leasehold property under the lease deed dated June 18, 2004 between Maharashtra Industrial Development Corporation and





Nicholas Piramal India Limited for lease of land admeasuring 6005 sq. meters, situated at Plot No R-24 in the residential zone of Mahad Industrial Area, Nadgaon, Sub-District Mahad, District- Raigad;

- (b) all assets, as are movable in nature and which exclusively form part of the Pharma Business, whether present or future or contingent, tangible or intangible, in possession or not, corporeal or incorporeal, in each case, wherever situated (including plant and machinery, capital work in progress, furniture, fixtures, fixed assets, computers, air conditioners, appliances, accessories, office equipment, communication facilities, installations, vehicles, inventories, stock in trade, stores and spares, packing material, raw material, tools and plants), actionable claims, earnest monies and sundry debtors, prepaid expenses, bills of exchange, promissory notes, financial assets, investment and shares in entities/ branches/ offices undertaking the Pharma Business in India, outstanding loans and advances, recoverable in cash or in kind or for value to be received, receivables, funds, cash and bank balances and deposits including accrued interest thereto with any Appropriate Authority, banks, customers and other persons, dividends declared or interest accrued thereon, reserves, provisions, funds, benefits of all agreements, shares, bonds, debentures, debenture stock, units or pass through certificates, securities, the benefits of any bank guarantees, performance guarantees and tax related assets/credits, including but not limited to goods and service tax input credits, service tax input credits, central value added tax credits, value added/ sales tax/ entry tax credits or set-offs, advance tax, withholding tax/ TDS, taxes withheld/ paid in a foreign country, self-assessment tax, regular tax, minimum alternate tax, dividend distribution tax, securities transaction tax, surcharge, cess, deferred tax assets/ liabilities, accumulated losses under the IT Act and allowance for unabsorbed depreciation under the IT Act, losses brought forward and unabsorbed depreciation as per the books of account, tax refunds, rights of any claim not made by the Demerged Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Demerged Company and any interest thereon, with regard to any law, act or rule or scheme made by the Appropriate Authority;
- (c) all permits, licenses, permissions, right of way, approvals, authorisations, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, privileges, memberships, allotments, quotas, no objection certificates, exemptions, pre-qualifications, bid acceptances, concessions, subsidies, tax deferrals, and exemptions and other benefits (in each case including the benefit of any applications made for the same), if any, liberties and advantages, approval for commissioning of project and other licenses or clearances granted/ issued/ given by any governmental, statutory or regulatory or local or administrative





bodies, organizations or companies for the purpose of carrying on the Pharma Business or in connection therewith including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that form part of the Pharma Business;

- (d) all contracts, agreements, purchase orders/ service orders, operation and maintenance contracts, memoranda of understanding/ undertakings/ agreements, memoranda of agreed points, bids, tenders (including tender(s) for supply of vitamin solutions and premixes), tariff policies, expressions of interest, letters of intent, hire and purchase arrangements, power purchase agreements, tenancy rights, agreements 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, trade union arrangements, settlements, collective bargaining schemes, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether vested or potential and written, oral or otherwise and all rights, title, interests, assurances, claims and benefits thereunder exclusively forming part of the Pharma Business;
- (e) all insurance policies pertaining to the Pharma Business;
- (f) all Intellectual Property that exclusively forms part of the Pharma Business;
- (g) all rights to use and avail telephones, 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 belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Demerged Company exclusively forming part of the Pharma Business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Demerged Company and exclusively forming part of the Pharma Business;
- (h) 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,



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other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that exclusively form part of the Pharma Business;

- (i) the Demerged Liabilities;
  - (j) the Demerger Transferred Employees including Liabilities of PEL with regard to the Demerger Transferred Employees, with respect to the payment of gratuity, superannuation, pension benefits and provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, retrenchment or otherwise, as on the Effective Date;
  - (k) all legal or other proceedings of whatsoever nature that exclusively form part of the Pharma Business, which are capable of being continued by or against the Resulting Company under Applicable Law, other than proceedings under Tax Laws pertaining to the period prior to the Appointed Date; and
  - (l) any assets, Liabilities, agreements, undertakings, activities, operations or properties that are determined by the Boards of the Demerged Company and the Resulting Company as relating to or forming part of the Pharma Business or which are necessary for conduct of, or the activities or operations of, the Pharma Business.
- (xxiv) “**Demerger**” shall have the meaning set out in Clause 3.7(i);
- (xxv) “**Demerger Record Date**” means a mutually agreed date to be fixed by the respective Boards of the Demerged Company and the Resulting Company for the purposes of determining the shareholders of the Demerged Company to whom equity shares of PPL would be allotted pursuant to the Demerger in accordance with Clause 19 of this Scheme;
- (xxvi) “**Demerger Transferred Employees**” means all the permanent employees of the Demerged Company who are either: (a) engaged in or relate to the Demerged Undertaking as on the Effective Date, or (b) jointly identified by the Boards or the management of the Demerged Company and the Resulting Company as being necessary for the proper functioning of the Demerged Undertaking.
- (xxvii) “**Effective Date**” means (a) for Part C and Part D, the date or the last date of the dates on which all the conditions and matters referred to in Clause 49.1 of the Scheme occur or have been fulfilled, obtained or waived, as applicable, in accordance with this Scheme; and (b) for Part E, the date or the last date of the dates on which all the conditions and matters referred to in Clause 49.2 of the Scheme occur or have been fulfilled, obtained or waived, as applicable, in accordance with this Scheme. References in this Scheme to the “date of coming into effect of this Scheme” or “upon the Scheme becoming effective” or “effectiveness of the scheme” shall mean the effective date;





- (xxviii) **"Encumbrance"** or to **"Encumber"** means without limitation (a) any options, claim, pre-emptive right, easement, limitation, attachment, restraint, mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance or interest of any kind securing, or conferring any priority of payment in respect of any obligation of any person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law, including any option or right of pre-emption, public right, common right, easement rights, any attachment, restriction on use, transfer, receipt of income or exercise of any other attribute of ownership, right of set-off and/ or any other interest held by a third party; (b) any voting agreement, conditional sale contracts, interest, option, right of first offer or transfer restriction; (c) any adverse claim as to title, possession or use; and/ or (d) any agreement, conditional or otherwise, to create any of the foregoing;
- (xxix) **"ESOP Scheme"** means the PEL Employees' Stock Ownership Plan - 2015 of the Demerged Company as amended from time to time;
- (xxx) **"ESOP Trust"** means collectively: (i) the trust constituted under the trust deed dated August 16, 1995 (as amended from time to time); and (ii) the Piramal Phytocare Limited Senior Employees Option Trust constituted under the trust deed dated July 7, 2009, for administering and implementing the employee stock options schemes of PEL;
- (xxxi) **"FS Amalgamation"** shall have the meaning set out in Clause 3.7(iii);
- (xxxii) **"Funds"** shall have the meaning set out in Clause 11.2;
- (xxxiii) **"GST"** means the central tax as defined under the Central Goods and Services Tax Act, 2017, the integrated tax as defined under the Integrated Goods and Services Tax Act, 2017, and the state tax as defined under State Goods and Services Tax statutes;
- (xxxiv) **"HPPL"** means Hemmo Pharmaceuticals Private Limited, a private limited company and a wholly owned subsidiary of PPL incorporated under the provisions of the Companies Act, 1956 having its registered office at 114, Turf Estate, 3/65, off Dr. E. Moses Road, Mahalaxmi, Mumbai – 400011, Maharashtra, hereinafter also referred to as Amalgamating Pharma Company 2;
- (xxxv) **"Intellectual Property"** means:
- (a) patents, utility models, rights in inventions, supplementary protection certificates;
  - (b) rights in information (including know-how, confidential information and trade secrets) and the right to use, and protect the confidentiality of, confidential information;



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- (c) trademarks, service marks, rights in logos, trade and business names, rights in each of get-up and trade dress and all associated goodwill, rights to sue for passing off and/or for unfair competition and domain names;
- (d) copyright, moral rights and related rights, rights in computer software, database rights, rights in designs, and semiconductor topography rights;
- (e) marketing authorization, approvals, marketing intangibles, permits, permissions, incentives, privileges, special status, designs, research and studies;
- (f) any other intellectual property rights; and
- (g) all rights or forms of protection, subsisting now or in the future, having equivalent or similar effect to the rights referred to in paragraphs (a) to (f) above,

in each case: (a) anywhere in the world; (b) whether unregistered or registered (including all applications, rights to apply and rights to claim priority); and (c) including all divisionals, continuations, continuations-in-part, reissues, extensions, re-examinations and renewals and the right to sue for damages for past and current infringement in respect of any of the same;

(xxxvi) “**IT Act**” means the Income-tax Act, 1961 as may be amended or supplemented from time to time (and any successor provisions or law), including any statutory modifications or reenactments thereof together with all applicable by-laws, rules, regulations, orders, ordinances, directions including circulars and notifications and similar legal enactments, in each case issued under the Income-tax Act, 1961;

(xxxvii) “**Liabilities**” means all debts (whether in Rupees or foreign currency), liabilities (including contingent liabilities, and obligations under any licenses or permits or schemes), loans raised and used, obligations incurred, duties of any kind, nature or description and undertakings of every kind or nature and the liabilities of any description whatsoever whether present or future, and howsoever raised or incurred or utilized along with any charge, encumbrance, lien or security thereon;

(xxxviii) “**Long Stop Date**” shall have the meaning set out in Clause 50.2;

(xxxix) “**Mahad Facility**” means the land and buildings situated at Mahad, Plot No. K1, Additional MIDC, Mahad, Raigad, Maharashtra 402302 and includes all structures, plant, machinery and manufacturing units which are embedded into the earth, and buildings, plants and manufacturing units under construction by the Demerged Company, if applicable, and all equipment and other fixed assets therein;



(xl) “**National Company Law Tribunal**” or “**NCLT**” means the National Company Law Tribunal having jurisdiction over the Companies and/ or the



National Company Law Appellate Tribunal as constituted and authorized as per the provisions of the Act for approving any scheme of arrangement, compromise or reconstruction of companies under Sections 230 to 232 of the Act and shall include, if applicable, such other forum or authority as may be vested with the powers of a tribunal for the purposes of Sections 230 to 232 of the Act as may be applicable;

- (xli) “**NBFC**” shall have the meaning set out in Clause 3.5;
- (xlii) “**NCD**” shall have the meaning set out in Clause 34.2(iii);
- (xliii) “**NSE**” means National Stock Exchange of India Limited;
- (xliv) “**PEL**” means Piramal Enterprises Limited, a public limited company incorporated under provisions of the Companies Act, 1913, having its registered office at Piramal Ananta, Agastya Corporate Park, Kamani Junction, LBS Marg, Kurla (West), Mumbai- 400070, Maharashtra, hereinafter also referred to as the Demerged Company;
- (xlv) “**PFPL**” means PHL Fininvest Private Limited, a private limited company incorporate under provisions of the Companies Act, 1956, having its registered office at 4th Floor, Piramal Tower, Peninsula Corporate Park Ganpatrao Kadam Marg, Lower Parel, Mumbai 400013, Maharashtra, hereinafter referred to as the Amalgamating FS Company;
- (xlvi) “**Pharma Amalgamations**” shall have the meaning set out in Clause 3.7(ii);
- (xlvii) “**Pharma Business**” means the pharmaceutical business of the Demerged Company conducted in India whereby it provides end-to-end development and manufacturing solutions to third parties across the drug life cycle, through an integrated network, which comprises the following: business undertaken:
  - (a) directly by the Demerged Company:
    - (A) contract development and manufacturing of formulations and vitamin-mineral pre-mixes including at the Mahad Facility;
    - (B) the business of manufacture, and distribution of consumer healthcare products, including through super distribution arrangements; and
  - (b) indirectly through the Resulting Company:
    - (A) contract development and manufacturing organization services, ranging from discovery clinical development to commercial manufacturing of active pharmaceutical ingredients and formulations;
    - (B) manufacturing / selling / distribution of complex hospital generics including inhalation anaesthesia, injectable



anaesthesia, intrathecal spasticity and pain management and select antibiotics; and

(C) developing and marketing of consumer healthcare products.

(xlvi) **"PPL"** means Piramal Pharma Limited, a public company and a subsidiary of PEL, incorporated under the provisions of the Companies Act, 2013, having its registered office at Gr. Flr., Piramal Ananta, Agastya Corporate Park, Kamani Junction, LBS Marg, Kurla (West), Mumbai- 400070, Maharashtra, hereinafter also referred to as the Resulting Company or Amalgamated Pharma Company, as applicable;

(xlix) **"PPL Equity Shares"** shall have the meaning set out in Clause 19.1;

(l) **"RBI"** means the Reserve Bank of India;

(li) **"Registrar of Companies"** means the relevant Registrar of Companies having jurisdiction over the Companies;

(lii) **"Remaining Business"** means any businesses, undertakings, activities, operations and properties, and investments of the Demerged Company other than those comprised in the Demerged Undertaking together with all assets, receivables and liabilities as a going concern, including for the avoidance of doubt, those related to the conduct of the financial services business and its related operations being undertaken by the Demerged Company, directly and indirectly through its subsidiaries which include (a) Piramal Capital & Housing Finance Limited; (b) PFPL; and (c) Piramal Asset Management Private Limited.

(liii) **"Resulting Company"** means PPL, to which the Demerged Undertaking of the Demerged Company shall stand demerged and transferred pursuant to and in accordance with the terms of the Scheme;

(liv) **"Rupees"** or **"Rs."** means Indian rupees, being the lawful currency of Republic of India;

(lv) **"Sanction Order"** means the order of the NCLT sanctioning this Scheme;

(lvi) **"Scheme"** or **"the Scheme"** or **"this Scheme"** means this composite scheme of arrangement in its present form as submitted to NCLT or this Scheme with such modification(s), if any made, in accordance with Clause 47 hereto;

(lvii) **"SEBI"** means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;

(lviii) **"SEBI ESOP Regulations"** means the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2011 or any statutory modification or re-enactment thereof for the time being in force;

(lix) **"SEBI Scheme Circular"** means the circular issued by the SEBI, being Circular No. SEBI/HO/CFD/DIL1/P/CIR/ 2020/249 dated December 22, 2020 and any amendments thereof, consolidating Circulars dated March 10,



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2017, March 23, 2017, May 26, 2017, September 21, 2017, January 3, 2018, September 12, 2019 and November 3, 2020;

- (lx) **"Securities Act"** shall have the meaning set out in Clause 19.9;
- (lxi) **"Share Entitlement Ratio"** shall have the meaning set out in Clause 19.1;
- (lxii) **"Stock Exchanges"** means the BSE and the NSE;
- (lxiii) **"Tax"** or **"Taxes"** means and include any tax, whether direct or indirect, including income tax (including withholding tax, dividend distribution tax), GST, excise duty, central sales tax, service tax, octroi, local body tax and customs duty, duties, charges, fees, surcharge, cess, levies or other similar assessments by or payable to an Appropriate Authority, including in relation to: (a) income, services, gross receipts, premium, immovable property, movable property, assets, profession, entry, capital gains, municipal, interest, expenditure, imports, wealth, gift, sales, use, transfer, licensing, withholding, employment, payroll and franchise taxes, and (b) any interest, fines, penalties, assessments, or additions to Tax resulting from, attributable to or incurred in connection with any proceedings or late payments in respect thereof;
- (lxiv) **"Tax Laws"** shall have the meaning set out in Clause 16.1;
- (lxv) **"TDS"** means tax deductible at source, in accordance with the provisions of the IT Act.

## **7. INTERPRETATION**

- 7.1** All terms and words used but 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, the Securities and Exchange Board of India Act, 1992, the Depositories Act, 1996 and other Applicable Law, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.
- 7.2** References to clauses and recitals, unless otherwise provided, are to clauses and recitals of and to this Scheme.
- 7.3** The headings herein shall not affect the construction of this Scheme.
- 7.4** Unless the context otherwise requires, reference to any law or to any provision thereof shall include references to any such law or to any provision thereof as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted, or to any law or any provision which replaces it, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.
- 7.5** The singular shall include the plural and vice versa; and references to one gender include all genders.



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- 7.6 Any phrase introduced by the terms “including”, “include”, “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 7.7 References to a person include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives body (whether or not having separate legal personality).

## 8. DATE OF TAKING EFFECT AND OPERATIVE DATE

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

## 9. SHARE CAPITAL

- 9.1 The authorized, issued, subscribed and paid up share capital of PEL as on October 5, 2021 is as under:

Share Capital	Amount (In Rs.)
<u>Authorized Share Capital</u>	
40,00,00,000 Equity Shares of Rs. 2/- each	80,00,00,000
30,00,000 Preference Shares of Rs. 100/- each	30,00,00,000
2,40,00,000 Preference Shares of Rs. 10/- each	24,00,00,000
10,50,00,000 Unclassified Shares of Rs. 2/- each	21,00,00,000
<b>TOTAL</b>	<b>155,00,00,000</b>
<u>Issued Share Capital:</u>	
23,92,63,645 equity shares of face value of Rs. 2 each fully paid	47,85,27,290
<b>TOTAL</b>	<b>47,85,27,290</b>
<u>Subscribed and Paid-up Share Capital</u>	
23,86,63,700 equity shares of face value of Rs. 2 each fully paid	47,73,27,400
<b>TOTAL</b>	<b>47,73,27,400</b>

- 9.2 The authorized, issued, subscribed and paid up share capital of PPL as on October 5, 2021 is as under:

Share Capital	Amount (In Rs.)
<u>Authorized Share Capital</u>	
150,00,00,000 equity shares of face value of Rs. 10 each	1500,00,00,000
10,00,00,000 compulsorily convertible preference shares of face value of Rs. 10 each	100,00,00,000
<b>TOTAL</b>	<b>1600,00,00,000</b>
<u>Issued Share Capital</u>	
118,59,13,506 equity shares of face value of Rs. 10 each fully paid-up	1185,91,35,060



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Share Capital	Amount (In Rs.)
<b>TOTAL</b>	
Subscribed and Paid-up Share Capital	<b>1185,91,35,060</b>
118,59,13,506 equity shares of face value of Rs. 10 each fully paid-up	1185,91,35,060
<b>TOTAL</b>	<b>1185,91,35,060</b>

*As on the date of approval of the Scheme by the Boards of the Companies, PEL holds 79.8751% of the share capital of PPL.*

*The equity shares of the Resulting Company are presently not listed on any Stock Exchange. An application shall be made with the Stock Exchanges post the effectiveness of the Scheme, for listing of the equity shares of the Resulting Company as mentioned in this Scheme.*

- 9.3** The authorized, issued, subscribed and paid up share capital of CCPL as on October 5, 2021 is as under:

Share Capital	Amount (In Rs.)
<u>Authorized Share Capital</u>	
8,50,00,000 equity shares of face value of Rs. 10 each.	85,00,00,000
<b>TOTAL</b>	<b>85,00,00,000</b>
<u>Issued Share Capital</u>	
7,00,10,000 equity shares of face value of Rs. 10 each fully paid.	70,01,00,000
<b>TOTAL</b>	<b>70,01,00,000</b>
<u>Subscribed and Paid-up Share Capital</u>	
7,00,10,000 equity shares of face value of Rs. 10 each fully paid.	70,01,00,000
<b>TOTAL</b>	<b>70,01,00,000</b>

*The entire share capital of CCPL, as on the date of approval of the Scheme by the Boards of the Companies, is held by PPL and its nominee shareholder.*

- 9.4** The authorized, issued, subscribed and paid up share capital of HPPL as on October 5, 2021 is as under:

Share Capital	Amount (In Rs.)
<u>Authorized Share Capital</u>	
50,000 equity shares of face value of Rs. 100 each.	50,00,000
<b>TOTAL</b>	<b>50,00,000</b>
<u>Issued Share Capital</u>	
29,075 equity shares of face value of Rs. 100 each fully paid.	29,07,500
<b>TOTAL</b>	<b>29,07,500</b>
<u>Subscribed and Paid-up Share Capital</u>	



Share Capital	Amount (In Rs.)
29,075 equity shares of face value of Rs. 100 each fully paid.	29,07,500
<b>TOTAL</b>	<b>29,07,500</b>

*The entire share capital of HPPL, as on the date of approval of the Scheme by the Boards of the Companies, is held by PPL and its nominee shareholder.*

- 9.5 The authorized, issued, subscribed and paid up share capital of PFPL as on October 5, 2021 is as under:

Share Capital	Amount (In Rs.)
<u>Authorized Share Capital</u>	
500,00,00,000 Equity shares of Rs. 10 each	5000,00,00,000
<b>TOTAL</b>	<b>5000,00,00,000</b>
<u>Issued Share Capital</u>	
62,86,84,777 equity shares of Rs. 10 each	628,68,47,770
<b>TOTAL</b>	<b>628,68,47,770</b>
<u>Subscribed and Paid-up Share Capital</u>	
62,86,84,777 equity shares of Rs. 10 each	628,68,47,770
<b>TOTAL</b>	<b>628,68,47,770</b>

*The entire share capital of PFPL, as on the date of approval of the Scheme by the Boards of the Companies, is held by PEL and joint shareholders.*

## **PART C - TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING INTO RESULTING COMPANY**

### **10. TRANSFER AND VESTING OF DEMERGED UNDERTAKING**

Upon the Scheme becoming effective and with effect from the Appointed Date, the Demerged Undertaking shall, in accordance with Section 2(19AA) of the IT Act and pursuant to Sections 230 to 232 and other applicable provisions of the Act, and pursuant to the Sanction Order, without any further act, instrument or deed, be demerged from the Demerged Company and stand transferred to and vested in or be deemed to be transferred to and vested in the Resulting Company as a going concern in the manner set out below.

#### **10.1 TRANSFER OF ASSETS**

- 10.1.1 Upon the Scheme becoming effective and with effect from the Appointed Date, the Demerged Undertaking shall, subject to the provisions of this Clause 10 in relation to the mode of transfer and vesting under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law and without any further act or deed, be demerged from the Demerged Company, and be transferred to and vested in and be deemed to have been demerged from the Demerged Company, and transferred to and vested in the Resulting Company as a going



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concern so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the Resulting Company, subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/ or financial institutions.

- 10.1.2 It is clarified that all assets, estates, rights, title, claims, investments, interest and authorities acquired by the Demerged Company, after the Appointed Date and prior to the Effective Date, and forming part of the Demerged Undertaking, shall also, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, stand transferred to and vested in or be deemed to have been transferred to or vested in the Resulting Company upon the coming into effect of this Scheme, without any further act, instrument or deed.
- 10.1.3 Upon the Scheme becoming effective and with effect from the Appointed Date, without prejudice to the generality of the above:
- (i) In respect of the assets of the Demerged Undertaking that are movable in nature (including shares and marketable securities) or incorporeal property and/ or otherwise capable of transfer by manual or constructive delivery and/ or by endorsement and/ or delivery, including cash and bank balances, units of mutual funds, market instruments and securities of the Demerged Undertaking the same shall stand transferred by the Demerged Company to the Resulting Company pursuant to provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law or be deemed to be transferred by delivery or possession or by endorsement and delivery and without requiring any deed or instrument of conveyance for transfer of the same, and shall become the property of the Resulting Company subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/ or financial institutions.
  - (ii) Subject to the provisions of Clause 16.1 in relation to Tax, in respect of movable assets other than those dealt with in Clause 10.1.3(i) above (including but not limited to sundry debts, actionable claims, earnest monies, receivables, bills, credits, loans, advances and deposits with any Appropriate Authorities or any other bodies and/ or customers or any other person, if any, forming part of the Demerged Undertaking, whether recoverable in cash or in kind or for value to be received, etc.) the same shall stand transferred to and vested in the Resulting Company without any notice or other intimation to any person in pursuance of the provisions of Sections 230 to 232 read with other relevant provisions of the Act and all other applicable provisions of Applicable Law to the end and intent that the right of the Demerged Company to recover or realize the same stands transferred to the Resulting Company, and that appropriate entries should be passed in their respective books to record the aforesaid change, without any notice or other intimation to such debtors, depositors or persons as the case may be. The Resulting Company may, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said sundry debts, actionable claims, earnest monies, receivables, bills, credits, loans, advances and deposits stands transferred to and vested in the Resulting Company and be paid or





made good or held on account of the Resulting Company as the person entitled thereto.

- (iii) All assets, estate, rights, title, remedies, claims, rights of action, interest and authorities held by the Demerged Company, on the Appointed Date forming part of the Demerged Undertaking, not otherwise specified in the above Clauses, shall also, without any further act, instrument or deed, stand transferred to and vested in or be deemed to be transferred to and vested in the Resulting Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 230-232 of the Act and all other applicable provisions of Applicable Laws.
- (iv) All immovable property, whether or not included in the books of the Demerged Company, whether freehold or leasehold or licensed properties (including but not limited to land, buildings, sites and immovable properties and any other document of title, rights, interest, right of way and easements in relation thereto) of the Demerged Undertaking exclusively (including the Mahad Facility) shall stand transferred to and be vested in the Resulting Company or be deemed to be transferred to and be vested in the Resulting Company automatically without any act or deed to be done or executed by the Demerged Company and/or the Resulting Company. All lease or license or rent agreements pertaining exclusively to the Demerged Undertaking, entered into by the Demerged Company with various landlords, owners and lessors in connection with the use of the assets of the Demerged Company, together with security deposits, shall stand automatically transferred in favour of the Resulting Company on the same terms and conditions, subject to Applicable Law, without any further act, instrument or deed. The Resulting Company shall continue to pay rent amounts as provided for in such agreements and shall comply with the other terms, conditions and covenants thereunder and shall also be entitled to refund of security deposits paid under such agreements by the Demerged Company. For the purpose of giving effect to the vesting order passed under Sections 230 to 232 of the Act in respect of this Scheme, the Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfill all its obligations in relation to or applicable to all such immovable properties, including mutation and/or substitution of the ownership or the title to, or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authority(ies) in favour of the Resulting Company pursuant to the Sanction Order and upon the effectiveness of this Scheme in accordance with the terms hereof without any further act or deed to be done or executed by the Demerged Company and / or the Resulting Company. It is clarified that the Resulting Company shall be entitled to engage in such correspondence and make such representations, as may be necessary for the purposes of the aforesaid mutation and/or substitution. For the purposes this Clause, the Boards of the relevant Companies may, in their absolute discretion, mutually decide the manner of giving effect to the transfer or vesting of the whole or part of the right, title and interest in all or any of the immovable properties along with any attendant formalities involved, including by way of execution of deed(s) of conveyance, assignment, transfer or rectification, in order to give effect



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to the objectives of the Scheme.

- (v) All Intellectual Property and rights thereto of the Demerged Company, whether registered or unregistered, along with all rights of commercial nature including attached goodwill, title, interest, and all other interests relating to the goods or services being dealt with by the Demerged Company and forming part of the Demerged Undertaking, shall be transferred to, and vest in, the Resulting Company.
- (vi) In so far as various incentives, subsidies, exemptions, remissions, reductions, export benefits, all indirect tax related benefits, including GST benefits, service tax benefits, all indirect tax related assets/ credits, including but not limited to goods and service tax input credits, service tax input credits, value added/ sales tax/ entry tax credits or set-off, income tax holiday/ benefit/ losses/ minimum alternative tax and other benefits or exemptions or privileges enjoyed, granted by any Appropriate Authority or by any other person, or availed of by the Demerged Company are concerned, the same shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, without any further act or deed, in so far as they relate to the Demerged Undertaking, vest with and be available to the Resulting Company on the same terms and conditions as were available with the Demerged Company and as if the same had been allotted and/ or granted and/ or sanctioned and/ or allowed to the Resulting Company, to the end and intent that the right of the Demerged Company to recover or realize the same, stands transferred to the Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- (vii) With respect to the investments made by the Demerged Company in shares (including shares held in the Resulting Company, i.e. PPL, representing the Demerged Company's strategic investment in PPL), stocks, bonds, warrants, units of mutual funds or any other securities, shareholding interests in other companies, whether quoted or unquoted, by whatever name called, forming part of the Demerged Undertaking, the same shall, without any further act, instrument or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Resulting Company on the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.
- (viii) Any claims due to the Demerged Company from its customers or otherwise and which have not been received by the Demerged Company as on the date immediately preceding the Appointed Date as the case may be, in relation to or in connection with the Demerged Undertaking, shall also belong to and be received by the Resulting Company.

10.1.4 For avoidance of doubt, in order to ensure the smooth transition and sales of products and inventory of the Demerged Company manufactured and/ or branded and/ or labelled and/ or packed in the name of the Demerged Company prior to the Effective Date insofar as they relate to the Demerged Undertaking, the Resulting Company shall have the right to own, use, market, sell, exhaust or to in any manner deal with any such products and inventory (including packing material) pertaining





to the Demerged Company at manufacturing locations or warehouses or elsewhere, without making any modifications whatsoever to such products and /or their branding, packing or labelling. All invoices/ payment related documents pertaining to such products and inventory (including packing material) may be raised in the name of the Resulting Company after the Effective Date.

- 10.1.5 Notwithstanding the fact that vesting of the Demerged Undertaking occurs by virtue of this Scheme, the Resulting Company may, at any time on or after the Appointed Date, in accordance with the provisions hereof if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Resulting Company shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company.
- 10.1.6 Upon the Effective Date and with effect from the Appointed Date, in relation to assets, if any, which, under Applicable Law, require separate documents for vesting in the Resulting Company, or which the Demerged Company and/or the Resulting Company and or otherwise desire to be vested separately, the Demerged Company and the Resulting Company will execute such deeds, documents or such other instruments, if any, as may be mutually agreed.
- 10.1.7 On and from the Effective Date and thereafter, the Resulting Company shall be entitled to operate all bank accounts of the Demerged Company, in relation to or in connection with the Demerged Undertaking, and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Demerged Company, in relation to or in connection with the Demerged Undertaking in the name of the Resulting Company in so far as may be necessary until the transfer of rights and obligations of the Demerged Undertaking to the Resulting Company under this Scheme have been formally given effect to under such contracts and transactions.
- 10.1.8 It is clarified that with effect from the Effective Date and till such time that the name of the bank accounts of the Demerged Company, in relation to or in connection with the Demerged Undertaking, have been replaced with that of the Resulting Company, the Resulting Company shall be entitled to operate the bank accounts of the Demerged Company, in relation to or in connection with the Demerged Undertaking, in the name of the Demerged Company in so far as may be necessary. All cheques and other negotiable instruments, electronic fund transfers (such as NEFT, RTGS, etc.) and payment orders received or presented for encashment which are in the name of the Demerged Company, in relation to or in connection with the Demerged Undertaking, after the Appointed Date shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company. The Resulting Company shall be allowed to maintain bank accounts in the name of the Demerged Company for such time as may be determined to be necessary by the Resulting Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Demerged Company, in relation to or in connection with the Demerged



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Undertaking. It is hereby expressly clarified that any legal proceedings by or against the Demerged Company, in relation to or in connection with the Demerged Undertaking, in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company shall be instituted, or as the case may be, continued by or against the Resulting Company after the Effective Date.

## 10.2 TRANSFER OF LIABILITIES

- (i) Upon coming into effect of this Scheme and with effect from the Appointed Date (or in case of any Demerged Liability incurred on a date on or after the Appointed Date, with effect from such date), all Demerged Liabilities, whether or not provided in the books of the Demerged Company shall without any further act, instrument or deed be and stand transferred to the Resulting Company to the extent that they are outstanding as on the Effective Date and shall thereupon become as and from the Appointed Date (or in case of any Demerged Liability incurred on a date on or after the Appointed Date, with effect from such date) the debts, duties, obligations, and liabilities of the Resulting Company, along with any Encumbrance relating thereto, on the same terms and conditions as were applicable to the Demerged Company. The Resulting Company undertakes to meet, discharge and satisfy the same to the exclusion of the Demerged Company such that the Demerged Company shall in no event be responsible or liable in relation to any such Demerged Liabilities.
- (ii) The term “**Demerged Liabilities**” shall mean:
  - (a) the Liabilities of the Demerged Company which exclusively arise out of the activities or operations of the Pharma Business;
  - (b) the specific loans or borrowings (including debentures, if any) raised, incurred and utilized solely for the activities or operations of the Pharma Business;
  - (c) in cases other than those referred to in Clause 10.2(ii)(a) or Clause 10.2(ii)(b) above, so much of the amounts of general or multipurpose borrowings, if any, of the Demerged Company, as stand in the same proportion which the value of the assets transferred pursuant to the Demerger bears to the total value of the assets of the Demerged Company immediately prior to the Appointed Date.
- (iii) In so far as the Demerged Liabilities are concerned, such Demerged Liabilities transferred to the Resulting Company in terms of Clause 10.2 hereof, shall, without any further act, instrument or deed, become loans and borrowings of the Resulting Company, and all rights, powers, duties and obligations in relation thereto shall stand transferred to and vested in and shall be exercised by or against the Resulting Company as if it had entered into such loans and incurred such borrowings. Thus, with effect from the Effective Date, the primary obligation to redeem or repay such Demerged Liabilities shall be that of the Resulting Company.





- (iv) Where any of the Demerged Liabilities has been partially or fully discharged by the Demerged 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 Resulting Company, and all liabilities and obligations incurred by the Demerged Company for the operations of the Demerged Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been incurred for and on behalf of the Resulting Company, and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Resulting Company and shall become the liabilities and obligations of the Resulting Company.
- (v) Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Demerged Company alone shall be liable, to perform all obligations in respect of all debts, liabilities, duties and obligations pertaining to its Remaining Business and the Resulting Company shall not have any obligations in respect of the debts, liabilities, duties and obligations of the Remaining Business. Further, upon the coming into effect of this Scheme and with effect from the Appointed Date, the Resulting Company alone shall be liable to perform all obligations in respect of Demerged Liabilities, which have been transferred to it in terms of this Scheme, and the Demerged Company shall not have any obligations in respect of such respective Demerged Liabilities.
- (vi) The provisions of this Clause and that of Clause 10.3 below shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security documents, all of which instruments, deeds or writings shall be deemed to have been modified and/ or superseded by the foregoing provisions.
- (vii) It is expressly provided that, save as mentioned in this Scheme, no other term or condition of the Demerged Liabilities transferred to the Resulting Company as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.
- (viii) Upon the coming into effect of this Scheme, the borrowing limits of the Resulting Company in terms of Section 180(1)(c) of the Act shall be deemed increased without any further act, instrument or deed to the equivalent of the aggregate borrowings forming part of the Demerged Liabilities transferred by the Demerged Company to the Resulting Company pursuant to the Scheme. Such limits shall be incremental to the existing borrowing limits of the Resulting Company.

### 10.3 ENCUMBRANCES

- (i) The transfer and vesting of the assets comprised in the Demerged Undertaking to and in the Resulting Company upon the coming into effect of the Scheme shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided.





- (ii) In so far as the existing Encumbrances in respect of the Demerged Liabilities are concerned, such Encumbrances shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in the Demerged Undertaking to which such Demerged Liability relates, which have already been Encumbered in respect of the Demerged Liabilities as transferred to the Resulting Company pursuant to this Scheme, and such Encumbrances shall not relate to or attach to any of the other assets of the Resulting Company. Provided that if any of the assets comprised in the Demerged Undertaking being transferred to the Resulting Company pursuant to this Scheme have not been Encumbered in respect of the Demerged Liabilities, such assets shall remain unencumbered and the existing Encumbrances referred to above shall not be extended to and shall not operate over such assets. The Scheme shall not operate to enlarge the Encumbrances, nor shall the Resulting Company be obliged to create any further or additional security after the Scheme has become effective or otherwise. 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.
- (iii) If any Encumbrance of the Demerged Company for the operations of the Demerged Undertaking exists as on the Appointed Date, but has been partially or fully released thereafter by the Demerged Company on or after the Appointed Date but prior to the Effective Date, such release shall be deemed to be for and on account of the Resulting Company upon the coming into effect of the Scheme and all Encumbrances incurred by the Demerged Company for the operations of the Demerged Undertaking on or after the Appointed Date and prior to the Effective Date shall be deemed to have been incurred for and on behalf of the Resulting Company, and such Encumbrances shall not attach to any property of the Demerged Company.
- (iv) Subject to the other provisions of this Scheme, in so far as the assets forming part of the Demerged Undertaking are concerned, the Encumbrances over such assets, to the extent they relate to any loans or borrowings or debentures or other debt or debt securities of the Remaining Business of the Demerged Company, shall, as and from the Effective Date, without any further act, instrument or deed, stand released and discharged and shall no longer be available as Encumbrances in relation to those liabilities of the Demerged Company pertaining to its Remaining Business (and which shall continue with the Demerged Company).
- (v) In so far as the assets of the Remaining Businesses are concerned, the Encumbrances over such assets, to the extent they relate to any loans or borrowings forming part of the relevant Demerged Liabilities shall, without any further act, instrument or deed be released and discharged from such Encumbrances. The absence of any formal amendment which may be required by a bank and/ or financial institution or trustee or third party in order to effect such release shall not affect the operation of this Clause 10.3(v).
- (vi) In so far as the existing Encumbrances in respect of the loans and other liabilities relating to a Remaining Business are concerned, such





Encumbrances shall, without any further act, instrument or deed be continued with the Demerged Company, only on the assets relating to the relevant Remaining Business and the assets forming part of the Demerged Undertaking shall stand released therefrom.

- (vii) In so far as the existing Encumbrances over the assets and other properties of the Resulting Company or any part thereof which relate to the liabilities and obligations of the Resulting Company prior to the Effective Date are concerned, such Encumbrance shall, without any further act, instrument or deed continue to relate to only such assets and properties and shall not extend or attach to any of the assets and properties of the Demerged Undertaking transferred to and vested in the Resulting Company by virtue of the Scheme.
- (viii) Without any prejudice to the provisions of the foregoing Clauses and upon coming into effect of this Scheme, the Demerged Company and the Resulting Company shall enter into and execute such other deeds, instruments, documents and/ or writings and/ or do all acts and deeds as may be required from the Demerged Company, including the filing of necessary particulars and/ or modification(s) of charge, with the Registrar of Companies to give formal effect to the provisions of this Clause and foregoing Clauses, if required.
- (ix) Any reference to the Demerged Company and its assets and properties in any security documents or arrangements (to which the Demerged Company is a party), which relate to the Demerged Undertaking, shall be construed as a reference to the Resulting Company and the assets and properties of the Demerged Company shall be transferred to the Resulting Company by virtue of the Scheme. Without prejudice to the provisions of the foregoing Clauses and upon coming into effect of the Scheme, the Demerged Company and the Resulting Company may enter into and execute such other deeds, instruments, documents and/ or writings and/ or do all acts and deeds as may be required, including the filing of necessary particulars and/ or modification(s) of charge, with the Registrar of Companies to give formal effect to the provisions of this Clause and foregoing Clauses, if required.

## **11. EMPLOYEES**

- 11.1** On the Scheme becoming effective, all Demerger Transferred Employees shall be deemed to have become employees of the Resulting Company with effect from the Appointed Date or their respective joining date, whichever is later, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Resulting Company shall not be less favourable than those applicable to them with reference to their employment in the Demerged Company on the Effective Date. The services of all Demerger Transferred Employees with the Demerged Company prior to the Demerger shall be taken into account for the purposes of all benefits to which the Demerger Transferred Employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits and to this effect the accumulated balances, if any, standing to the credit of the Demerger Transferred Employees in the existing provident fund, gratuity fund and





superannuation funds nominated by the Resulting Company and/or such new provident fund, gratuity fund and superannuation fund to be established and caused to be recognized by the Appropriate Authorities, by the Resulting Company, or to the government provident fund in relation to the Demerger Transferred Employees who are not eligible to become members of the provident fund maintained by the Resulting Company.

- 11.2** It is expressly provided that, on the Scheme becoming effective, insofar as the provident fund, gratuity fund, superannuation fund or any other special fund or trusts, if any, created or existing for the benefit of the staff and employees of the Demerged Company (including Demerger Transferred Employees) are concerned (collectively referred to as the “**Funds**”), such of the investments made in the funds and liabilities which are attributable/referable to the Demerger Transferred Employees shall be transferred to the similar funds created and/or nominated by the Resulting Company and shall be held for their benefit pursuant to this Scheme, or at the sole discretion of the Resulting Company, maintained as separate funds by the Resulting Company. In the event that the Resulting Company does not have its own funds in respect of any of the above, the Resulting Company may, subject to necessary approvals and permissions, continue to contribute to the relevant Funds, until such time that the Resulting Company creates its own funds, at which time the funds and the investments and contributions pertaining to the Demerger Transferred Employees shall be transferred to the funds created by the Resulting Company.
- 11.3** Further to the transfer of Funds as set out in Clause 11.2 above, for all purposes whatsoever in relation to the administration or operation of such Funds or in relation to the obligation to make contributions to the said Funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, all rights, duties, powers and obligations of the Demerged Company in relation to the Demerged Undertaking as on the Effective Date in relation to such Funds shall become those of the Resulting Company. It is clarified that the services of the Demerger Transferred Employees forming part of the Demerged Undertaking will be treated as having been continuous for the purpose of the said Funds.
- 11.4** In relation to any other fund (including any funds set up by the government for employee benefits) created or existing for the benefit of the Demerger Transferred Employees, the Resulting Company shall stand substituted for the Demerged Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of such Demerger Transferred Employees.
- 11.5** In so far as the existing benefits or funds created by the Demerged Company for the employees of the Remaining Business are concerned, the same shall continue and the Demerged Company shall continue to contribute to such benefits or funds in accordance with the provisions thereof, and the Resulting Company shall have no liability in respect thereof.
- 11.6** Employee Stock Option Plans
- (i) In respect of the employee stock options granted by the Demerged Company under the ESOP Scheme (irrespective of whether the options holders continue to be employees of the Demerged Company or are or become



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employees of the Resulting Company pursuant to the Scheme), which have been granted (whether vested or not) but have not been exercised as on the Demerger Record Date:

- (a) The employee stock options granted by the Demerged Company under the ESOP Scheme would continue to be held by the employees of the Resulting Company including the Demerger Transferred Employees in accordance with the terms of the ESOP Scheme and any other applicable terms. Upon coming into effect of the Scheme, and as an integral part of the Scheme, the ESOP Scheme shall stand modified as below; so as to enable the continuance of the same in the hands of the employees of the Resulting Company who have been granted stock options by the Demerged Company.
  - (b) The terms of the ESOP Scheme and the employee stock options granted pursuant to the ESOP Scheme shall stand modified to the effect that the option holders (as per the records of the Demerged Company on the Demerger Record Date) shall be entitled to receive 4 (four) equity shares of the Resulting Company for (and in addition to) every 1 (one) equity share of the Demerged Company to be received upon the exercise of each employee stock option held by such option holder under the ESOP Scheme in accordance with terms thereof.
  - (c) The exercise price payable for the employee stock options may be modified, if and as may be determined by the Boards of the Demerged Company and the Resulting Company or committee(s) thereof constituted to deal with matters pertaining to employee stock option schemes in accordance with the provisions of this Scheme, the SEBI ESOP Regulations and other Applicable Laws.
- (ii) The respective Boards (or duly authorized committee(s) thereof) of the Demerged Company and Resulting Company shall be entitled to take such actions including providing accelerated vesting or cash compensation or allotting additional employee stock options or adjusting exercise price or otherwise, at the respective Board's discretion, in order to give effect to the provisions of this Clause 11 without prejudicially affecting the option holders. For this purpose: (a) the terms and conditions of the ESOP Scheme may be varied by the Board (or duly authorized committee thereof) of the Demerged Company; and (b) the terms and conditions of any employee stock option scheme(s) formulated by the Resulting Company may be varied by the Board (or duly authorized committee thereof) of the Resulting Company. Upon the Scheme coming into effect, the Resulting Company shall ensure that the stock option scheme(s) formulated by it shall be modified to take into account the provisions of this Scheme.
- (iii) All actions taken in accordance with this Clause 11 shall be deemed to be in full compliance of the SEBI ESOP Regulations, any other applicable guidelines/regulations issued by SEBI in this regard, and any other Applicable Laws. The aforesaid variation of the entitlement of the holders to employee stock options to receive equity share(s) of the Resulting





Company upon exercise of the employee stock option in addition to equity share(s) of the Demerged Company shall be effected as an integral part of this Scheme and the consent of the shareholders of the Demerged Company and Resulting Company to this Scheme shall be deemed to be their consent in relation to all matters pertaining to the ESOP Scheme as well the formulation / modification of any Resulting Company's stock option scheme(s), including: (a) any modifications made to the ESOP Scheme required to give effect to the provisions of the Scheme; (b) the formulation and introduction of the new stock option scheme(s) of the Resulting Company or modifications to stock option scheme(s) of the Resulting Company; (c) the administration of such stock option scheme(s) of the Resulting Company; and (d) all related matters. No further approval of the shareholders of the Demerged Company or Resulting Company or resolution, action or compliance would be required in this connection under any applicable provisions of the Act and/ or other Applicable Laws.

- (iv) The Demerged Company and Resulting Company shall be empowered to administer and implement their respective employee stock option scheme(s) through the ESOP Trust, if so required or in the case of the Resulting Company, any other trust established for this purpose.
- (v) The Boards of the Demerged Company and Resulting Company shall be entitled to 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 Clause 11.6 of the Scheme.

## **12. LEGAL PROCEEDINGS**

**12.1** Upon the coming into effect of this Scheme, subject to the provisions of Clause 12.2 in relation to Tax proceedings, if any suit, appeal, legal, or other proceeding of whatever nature, whether criminal or civil (including before any statutory or quasi-judicial authority or tribunal), under Applicable Law, by or against the Demerged Company in relation to the Demerged Undertaking is pending on the Effective Date or is instituted any time thereafter, and if such proceeding is capable of being continued by or against the Resulting Company under Applicable Law, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings shall be continued, prosecuted and enforced by or against the Resulting Company, as the case may be, after the Effective Date, in the same manner and to the same extent as it would have been continued, prosecuted and enforced by or against the Demerged Company, in relation to the Demerged Undertaking, which forms part of the Demerged Company, as if this Scheme had not been made.

**12.2** The provisions of this Clause 12.2 shall apply to any suit, appeal, legal or other proceeding of whatever nature, whether criminal or civil (including before any statutory or quasi-judicial authority or tribunal), under any Tax Law relating to the Demerged Undertaking. Any such proceedings in relation to the Demerged Undertaking and pertaining to the period prior to the Appointed Date, whether pending on the Effective Date or instituted at any time thereafter, shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but shall be continued, prosecuted and enforced by or





against the Demerged Company. Any such Tax proceedings in relation to the Demerged Undertaking and pertaining to the period on or after the Appointed Date shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, and shall be continued, prosecuted and enforced by or against the Resulting Company, as the case may be, after the Effective Date, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Demerged Company in relation to Demerged Undertaking as if this Scheme had not been made.

**12.3** In case of any litigation, suits, recovery proceedings etc., as referred to in this Clause 12 which are the responsibility of the Resulting Company, which are to be initiated or may be initiated against the Demerged Company, in relation to the Demerged Undertaking, the Demerged Company shall defend the same in accordance with the advice of the Resulting Company and at the cost of the Resulting Company, and the Resulting Company shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof. If any proceedings are taken against the Resulting Company after the Effective Date in respect of the matters referred to in this Clause 12, which are the responsibility of the Demerged Company, the Resulting Company shall defend the same in accordance with the advice of the Demerged Company and at the cost of the Demerged Company, and the Demerged Company shall reimburse and indemnify the Resulting Company against all liabilities and obligations incurred by the Resulting Company in respect thereof.

**12.4** The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company which are the responsibility of the Resulting Company referred to in this Clause 12 transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company. The Demerged Company undertakes to have all legal or other proceedings initiated by or against Resulting Company after the Effective Date which are the responsibility of the Demerged Company, referred to in this Clause 12, transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company. The Demerged Company and the Resulting Company shall make relevant applications in that behalf.

### **13. CONTRACTS, DEEDS, ETC.**

**13.1** Upon coming into effect of this Scheme and subject to the other provisions of this Scheme, all contracts, deeds, bonds, schemes, insurance, letters of intent, tenders obtained or applied, bids, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature exclusively forming part of a Demerged Undertaking to which the Demerged Company is a party or to the benefit of which the Demerged Company is eligible and which is subsisting or having effect on the Effective Date, shall without any further act or deed, continue in full force and effect against or in favour of the Resulting Company and may be enforced by or against the Resulting Company as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party thereto. It shall not be necessary to obtain the consent of any third party or other person who is a party



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to any such contracts, deeds, bonds, agreements, schemes, arrangements and other instruments to give effect to the provisions of this Clause 13 of the Scheme.

- 13.2** The Resulting Company may at its sole discretion enter into and/ or issue and/ or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Demerged Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme. The Resulting Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Demerged Company for the Demerged Undertaking and to implement or carry out all formalities required to give effect to the provisions of this Scheme.
- 13.3** Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Demerged Undertaking occurs by virtue of this Scheme itself, the Resulting Company may, at any time after the coming into effect of the Scheme, in accordance with its provisions, if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), instruments, confirmations or other writings or arrangements with any party to any contract or arrangement to which the Demerged Company is a party, or any writings as may be necessary, in order to give formal effect to the provisions of this Scheme. The Resulting Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company to be carried out or performed.
- 13.4** Without prejudice to the aforesaid, it is clarified that if any assets (estate, claims, rights, title, interest in or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking which the Demerged Company owns or to which the Demerged Company is a party to, cannot be transferred to the Resulting Company for any reason whatsoever:
- (i) The Demerged Company shall hold such asset or contract, deeds, bonds, agreements, schemes, tenders, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company, insofar as it is permissible so to do, till such time as their transfer is effected;
  - (ii) The Demerged Company and the Resulting Company shall, however, between themselves, treat each other as if that all contracts, deeds, bonds, agreements, schemes, tenders, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking had been transferred to the Resulting Company on the Effective Date; and
  - (iii) The Resulting Company shall perform or assist the Demerged Company in performing all of the obligations under those contracts, deeds, bonds, agreements, schemes, tenders, arrangements or other instruments of whatsoever nature, to be discharged after the Effective Date.

It is clarified that the Demerged Company and the Resulting Company may enter into contracts or arrangements, as may be required to give effect to the provisions





of this Clause 13.4 and such contracts or arrangements shall not be cancelled or inoperative pursuant to Clause 13.5 below.

- 13.5** Any inter-se contracts between the Demerged Company on the one hand and the Resulting Company on the other hand in connection with the Demerged Undertaking shall stand cancelled and cease to operate upon the effectiveness of this Scheme.
- 13.6** Notwithstanding any such mechanism or arrangement between the Demerged Company and Resulting Company, the said Companies agree that the Demerged Company shall with respect to the period after the Effective Date, (i) not be responsible for performance of any obligations or for any liabilities whatsoever arising from or in relation to the Demerged Undertaking; and (ii) not be entitled to any rights or to receive any benefits whatsoever in relation to the Demerged Undertaking. The economic, financial, technical and operational responsibility and all related costs and expenses (direct and incurred), liabilities and taxes in connection with the Demerged Undertaking, shall rest and be borne entirely and exclusively by Resulting Company after the Effective Date. Resulting Company shall promptly pay, indemnify and hold harmless the Demerged Company for and from any such costs and expenses, losses, damages, liabilities and taxes or requirements under the Contract(s) after the Effective Date if arising pursuant to the arrangement between the Demerged Company and Resulting Company under this Clause 13.6.

#### **14. PERMITS, CONSENTS AND LICENSES**

- 14.1** All the licenses, permits, permissions, consents, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, allotments, insurance cover, clearances, authorities, privileges, affiliations, easements, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted, conferred upon, held or availed of by and all rights and benefits that have accrued to the Demerged Company, in relation to or in connection with the Demerged Undertaking, and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents received by the Demerged Company, forming part of or relating to the Demerged Undertaking, pursuant to the provisions of Sections 230 to 232 of the Act, shall without any further act, instrument or deed, be transferred to and vest in or be deemed to have been transferred to and vested in and be available to the Resulting Company so as to become as and from the Appointed Date, the estates, assets, licenses, permits, privileges, title, interests and authorities of the Resulting Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible under Applicable Law and the concerned licensors and grantors of such approvals, clearances, permissions, etc., shall endorse, where necessary, and record, in accordance with Applicable Law, the Resulting Company on such approvals, clearances, permissions etc. so as to acknowledge and record the transfer and vesting of the Demerged Undertaking in the Resulting Company and continuation of operations forming part of the Demerged Undertaking in the Resulting Company without hindrance and that such approvals, clearances and permissions etc. shall remain in full force and effect in favour of or against the Resulting Company, as the case may be, the Resulting 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 Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or recipient or beneficiary or obligee thereto. The Demerged Company and the Resulting Company may execute necessary documentation to give effect to the foregoing, where required.

- 14.2** 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, pre-qualifications, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Demerged Company in relation to the Demerged Undertaking, including by any Appropriate Authority, including the benefits of any applications made for any of the foregoing, shall, subject to Applicable Law, stand transferred to the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company, and the Resulting 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 Resulting Company. The Resulting Company shall make necessary applications / file relevant forms to any Appropriate Authority as may be necessary in this behalf.
- 14.3** Upon this Scheme being effective, the past track record of the Demerged Company relating to the Demerged Undertaking, including without limitation, the profitability, experience, credentials and market share, shall be deemed to be the track record of the Resulting Company for all commercial and regulatory purposes including for the purposes of eligibility, standing, evaluation and participation of the Resulting Company in all existing and future bids, tenders and contracts of all authorities, agencies and clients.
- 14.4** From the Appointed Date and until the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status are transferred, vested, recorded, effected, and / or perfected, in the record of the Appropriate Authority, in favour of the Resulting Company, the Resulting Company is authorized to carry on business in the name and style of the Demerged Company, in relation to or in connection with the Demerged Undertaking, and under the relevant license and or permit and/or approval, as the case may be, and the Resulting Company shall keep a record and / or account of such transactions.

**15. SAVING OF CONCLUDED TRANSACTIONS**

Subject to the terms of the Scheme, the transfer and vesting of the Demerged Undertaking into the Resulting Company under Clauses 10 to 14 above shall not affect any transaction or proceedings already concluded by the Demerged Company for the Demerged Undertaking until the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Demerged Company for the Demerged Undertaking in respect thereto as acts, deeds and things made, done and executed by or on behalf of the Resulting Company.





## 16. TAXATION MATTERS

16.1 Notwithstanding anything to the contrary contained in this Scheme, upon effectiveness of this Scheme:

- (i) the Demerged Company shall be liable for any Tax payable to Appropriate Authorities under Applicable Laws relating to Tax ("**Tax Laws**") and shall be entitled to any refunds of Tax from Appropriate Authorities under Tax Laws, which, in each case, arise exclusively from the operation or activities of the Demerged Undertaking prior to the Appointed Date, regardless of whether such payments or receipts are provided or recorded in the books of the Demerged Company and whether such payments or receipts are due or realised on, before or after the Appointed Date; and
- (ii) the Resulting Company shall be liable for any Tax payable to Appropriate Authorities under Tax Laws and shall be entitled to refunds of any Tax from Appropriate Authorities under Tax Laws, which, in each case, arise from the operation or activities of the Demerged Undertaking on or after the Appointed Date, regardless of whether such payments or receipts are provided or recorded in the books of the Demerged Company and whether such payments or receipts are due or realised on, before or after the Appointed Date.

16.2 All Liabilities under Tax Laws which relate exclusively to the activities or operations of the Demerged Undertaking prior to the Appointed Date shall remain the Liabilities of the Demerged Company after the Effective Date, regardless of whether such Liabilities arise on or after the Appointed Date.

16.3 Upon effectiveness of this Scheme, all Taxes paid or payable by the Demerged Company in respect of the operations and/ or the profits of the Demerged Undertaking on and from the Appointed Date, shall be on account of the Resulting Company. Upon effectiveness of this Scheme, the payment of any Tax, whether by way of deduction at source (including foreign tax credit), advance tax, self-assessment tax, minimum alternate tax, or otherwise howsoever, by the Demerged Company in respect of the activities or operations of the Demerged Undertaking on and from the Appointed Date, shall be deemed to have been paid by the Resulting Company, and, shall, in all proceedings, be dealt with accordingly.

16.4 Any refund of Tax paid under Tax Laws including income tax, sales tax, value added tax, service tax, GST, value added tax or any other Tax, in relation to the operation and activities of the Demerged Undertaking prior to the Appointed Date shall belong to and be received by the Demerged Company, even if the prescribed time limits for claiming such refunds or credits have lapsed. Any refund of Tax paid under Tax Laws including income tax, sales tax, value added tax, service tax, value added tax, GST, or any other Tax, in relation to the operation and activities of the Demerged Undertaking on or after the Appointed Date shall belong to and be received by the Resulting Company, even if the prescribed time limits for claiming such refunds or credits have lapsed.

16.5 Any Tax incentives, subsidies, exemptions, special status, tax benefits (including but not limited to export incentives, credits/ incentives in respect of income tax,



sales tax, value added tax, GST, turnover tax, excise duty, service tax etc.), duty drawbacks, and other benefits, credits, exemptions or privileges enjoyed, granted by an Appropriate Authority or availed of by the Demerged Company shall, without any further act or deed, in so far as they relate to or are available for the operation and activities of the Demerged Undertaking on or after the Appointed Date, vest with and be available to Resulting Company on the same terms and conditions, as if the same had been originally allotted and / or granted and / or sanctioned and / or allowed to the Resulting Company.

- 16.6** Each of the Resulting Company and the Demerged Company shall be entitled to file/ revise its income-tax returns, TDS certificates, TDS returns, GST returns and other statutory returns, notwithstanding that the period for filing/ revising such returns may have lapsed and to obtain TDS certificates, including TDS certificates relating to transactions between or amongst the Demerged Company and the Resulting Company and shall have the right to claim refunds, advance Tax credits, input Tax credit, credits of all Taxes paid/ withheld, if any, as may be required consequent to implementation of this Scheme.
- 16.7** Any actions taken by the Demerged Company to comply with Tax Laws (including payment of Taxes, maintenance of records, payments, returns, Tax filings, etc.) in respect of the Demerged Undertaking on and from the Appointed Date upto the Effective Date shall be considered as adequate compliance by the Demerged Company with such requirements under Tax Laws and such actions shall be deemed to constitute adequate compliance by the Resulting Company with the relevant obligations under such Tax Laws.
- 16.8** Any unutilized GST credits pertaining to the Demerged Undertaking shall, notwithstanding anything contained in this Clause 16, be transferred by the Demerged Company to the Resulting Company in accordance with Applicable Laws. The Demerged Company and Resulting Company shall take such actions as may be necessary under Applicable Law to effect such transfer. GST credits and Liability in connection with GST pertaining to the activities or operations of the Demerged Undertaking between the Appointed Date and the Effective Date shall, notwithstanding anything contained in this Clause 16 be dealt with in accordance with Applicable Law.
- 16.9** If the Demerged Company makes any payment to discharge any Liabilities under Tax Laws that are the responsibility of the Resulting Company under Clause 16.1(i) above, the Resulting Company shall promptly pay or reimburse the Demerged Company for such payment. If the Resulting Company makes any payment to discharge any Liabilities under Tax Laws that are the responsibility of the Demerged Company under Clause 16.1(ii) above, the Demerged Company shall promptly pay or reimburse the Resulting Company for such payment.
- 16.10** Any benefits under incentive schemes and policies relating to the Demerged Undertaking shall be transferred to and vested in the Resulting Company.

**17. VALIDITY OF EXISTING RESOLUTIONS**

- 17.1** Upon the coming into effect of the Scheme, the resolutions, if any, of the Demerged Company relating to the Demerged Undertaking, which are valid and subsisting on



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the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Resulting Company, and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, such limits shall be added to the limits, if any, under like resolutions passed by the Resulting Company, and shall constitute the aggregate of the said limits in the Resulting Company.

## **18. REMAINING BUSINESS OF THE DEMERGED COMPANY**

**18.1** The Remaining Business and all the assets, properties, rights, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company, and the Resulting Company shall have no right, claim or obligation in relation to the Remaining Business of the Demerged Company and nothing in this Scheme shall operate to transfer any of the Remaining Business to the Resulting Company or to make the Resulting Company liable for any of the Demerged Company's Liabilities.

**18.2** All legal, taxation and other proceedings of whatever nature (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company with respect to the Remaining Business, under any statute, whether relating to the period prior to or after the Appointed Date and whether pending on the Appointed Date or which may be instituted in future, whether or not in respect of any matter arising before the Effective Date and relating to the respective Remaining Business of the Demerged Company, (including those relating to any property, right, power, liability, obligation or duty of the Demerged Company in respect of the Remaining Business and any income tax related liabilities) shall be continued and enforced by or against the Demerged Company, as applicable, even after the Effective Date.

**18.3** On and from the Appointed Date:

- (i) the Demerged Company shall carry on and shall be deemed to have been carrying on all business and activities relating the Remaining Business for and on its own behalf;
- (ii) all profits accruing to the Demerged Company or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Business shall, for all purposes, be treated as the profits or losses, as the case may be, of the Demerged Company; and
- (iii) all assets and properties acquired by the Demerged Company in relation to the Remaining Business shall belong to and continue to remain vested with the Demerged Company.

## **19. CONSIDERATION FOR DEMERGER**

**19.1** Upon this Scheme becoming effective and in consideration of transfer and vesting of the Demerged Undertaking from the Demerged Company to the Resulting Company in terms of this Scheme, the Resulting Company shall, without any further application, act or deed, issue and allot 95,46,54,800 (Ninety-Five Crores, Forty Six Lakhs, Fifty Four Thousand, Eight Hundred) equity shares, credited as





fully paid-up, to the members of the Demerged Company, holding fully paid up equity shares and whose names appear in the register of members, including register and index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, of the Demerged Company, on the Demerger Record Date or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as on the Demerger Record Date in the following manner:

*"for every 1 (one) equity share of face and paid-up value of Rs. 2/- (Two) held in PEL, 4 (Four) equity shares of face and paid-up value of Rs. 10/- (Ten) in PPL"*  
**("Share Entitlement Ratio")**

The shares issued by the Resulting Company pursuant to this Clause 19 are hereinafter referred to as **"PPL Equity Shares"**.

- 19.2** The PPL Equity Shares shall be subject to the Scheme, the memorandum and articles of association of the Resulting Company and Applicable Law and shall rank *pari passu* with the equity shares of the Resulting Company.
- 19.3** If the allotment of PPL Equity shares pursuant to this Clause 19 will result in any shareholders being issued fractional shares, the Board of the Resulting Company shall, at its absolute discretion, decide to take any or a combination of the following actions:
- (i) consolidate all such fractional entitlements and thereupon allot PPL Equity Shares in lieu thereof into a dematerialized/depository participant account to be operated by a person/ trustee authorized by the Board of the Resulting Company in this behalf which shall hold the PPL Equity Shares in trust on behalf of the shareholders of the Demerged Company entitled to fractional entitlements with the express understanding that such person shall sell the PPL Equity Shares of the Resulting Company so allotted on the Stock Exchanges at such time or times and at such price or prices and to such person, as such person/trustee deems fit, and shall distribute the net sale proceeds, subject to tax deductions and other expenses as applicable, to the shareholders of the Demerged Company in proportion to their respective fractional entitlements. In case the number of PPL Equity Shares to be allotted to a person authorized by the Board of the Resulting Company by virtue of consolidation of fractional entitlement is a fraction, it shall be rounded off to the next higher integer;
- deal with such fractional entitlements in such other manner as they may deem to be in the best interests of the shareholders of the Demerged Company and the Resulting Company.
- 19.4** Without prejudice to the generality of Clause 19.1, the Demerged Company and the Resulting Company shall, if and to the extent required, apply for and obtain any approvals from concerned Appropriate Authorities and undertake necessary compliance for the issuance and allotment of the PPL Equity Shares.
- 19.5** The PPL Equity Shares shall mandatorily be issued in dematerialized form to those shareholders who hold shares of the Demerged Company in dematerialized form,





into the account in which shares of the Demerged Company are held or such other account as is intimated in writing by the shareholders to the Demerged Company and/ or its registrar provided such intimation has been received by the Demerged Company and/ or its registrar at least 30 (thirty) days before the Demerger Record Date. All those shareholders who hold shares of the Demerged Company in physical form shall receive the PPL Equity Shares in dematerialized form only provided that the details of their account with the depository participant are intimated in writing to the Demerged Company and/ or its registrar provided such intimation has been received by the Demerged Company and/ or its registrar at least 30 (thirty) days before the Demerger Record Date. If no such intimation is received from any shareholder who holds shares of the Demerged Company in physical form 30 (thirty) days before the Demerger Record Date, the Resulting Company shall keep such shares in abeyance / escrow account and will credit the same to the respective depository participant accounts of such shareholders as and when the details of such shareholder's account with the depository participant are intimated in writing to the Resulting Company and/ or its registrar.

- 19.6 The PPL Equity Shares to be issued by the Resulting Company, pursuant to Clause 19 in respect of any equity shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Act or which the Resulting Company is unable to issue due to non-receipt of relevant approvals or due to Applicable Laws or otherwise shall, pending allotment or settlement of dispute by order of NCLT or any court or otherwise, be held in abeyance by the Resulting Company.
- 19.7 Upon the Scheme becoming effective, the issued, subscribed and paid-up share capital of the Resulting Company shall stand suitably increased consequent upon the issuance of the PPL Equity Shares in accordance with this Clause 19. Approval of this Scheme by the equity shareholders of the Resulting Company shall be deemed to be in due compliance of the provisions of Section 42 and Section 62 of the Act, and other relevant and applicable provisions of the Act and rules made thereunder for the issue and allotment of the PPL Equity Shares as on the Demerger Record Date, as provided in this Scheme.
- 19.8 The PPL Equity Shares will be listed and/ or admitted to trading on the Stock Exchanges. The Resulting Company shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with Applicable Law or regulations for the Resulting Company with the formalities of the Stock Exchanges. The PPL Equity Shares shall remain frozen in the depositories system till listing and trading permission is given by the designated stock exchange. There shall be no change in the shareholding pattern or control in the Resulting Company between the Demerger Record Date and the listing which may affect the status of approvals received from the Stock Exchanges, other than as provided in the Scheme. The Resulting Company will not issue/ reissue any shares, not covered under this Scheme, till the date of listing of the equity shares issued under this Scheme on the Stock Exchanges.
- 19.9 The PPL Equity Shares may not be registered under the United States Securities Act, 1933, as amended (the "**Securities Act**") and the Resulting Company may elect, in its sole discretion, to rely upon an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof or any other





exemption that the Resulting Company may elect to rely upon. In the event the Resulting Company elects to rely upon an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof, the sanction of the NCLT to this Scheme will be relied upon for the purpose of qualifying the issuance and distribution of the PPL Equity Shares of the Resulting Company for such exemption.

## **20. CANCELLATION OF SHARE CAPITAL**

- 20.1** Notwithstanding anything contained under the Act, pursuant to the provisions of Sections 230-232 of the Act, the equity shares of the Resulting Company forming part of the Demerged Undertaking shall stand cancelled without any further act, instrument or deed.
- 20.2** The consequent reduction of share capital of the Resulting Company shall be an integral part of this Scheme and the Demerged Company and the Resulting Company shall not be required to follow the process under Section 66 of the Act or any other provisions of Applicable Law separately.
- 20.3** The reduction would not involve either a diminution of liability in respect of unpaid share capital, if any or payment to any shareholder of any unpaid share capital.

## **21. ACCOUNTING TREATMENT**

### **21.1 IN THE BOOKS OF THE DEMERGED COMPANY**

- (i) The Demerged Company shall transfer all the assets and liabilities pertaining to the Demerged Undertaking at the values appearing in its books of account (i.e. the book value) at the Appointed Date to the Resulting Company. Accordingly, the Demerged Company shall reduce from its books of account, the book values of assets and liabilities appearing on such date.
- (ii) For compliance with Annexure A to Ind AS - 10, the Demerged Company shall debit the fair value of the Demerged Undertaking to the retained earnings and create a corresponding liability.
- (iii) The book value of net assets derecognised at (i) above will be adjusted against the liability recognised at (ii) above. The difference, if any, shall be recognised in the Statement of Profit and Loss in accordance with Ind AS - 10.

### **21.2 IN THE BOOKS OF THE RESULTING COMPANY**

- (i) The Resulting Company shall record the assets (excluding investments in Resulting Company) and liabilities of the Demerged Undertaking transferred to and vested in it pursuant to this Scheme, at their respective fair values as on the Appointed Date in accordance with Ind AS - 103.
- (ii) The Resulting Company shall recognise its own equity instruments forming part of the Demerged Undertaking at fair value as per Ind AS - 109 and simultaneously cancel its own equity instruments as per Ind AS - 32 and



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difference between fair value (as at the Appointed Date) and face value of the equity shares shall be adjusted against the securities premium account.

- (iii) In respect of PPL Equity Shares to be issued by Resulting Company pursuant to Clause 19 of the Scheme as consideration the Resulting Company shall credit its equity share capital account for the aggregate face value of these shares and credit the securities premium account for the premium on issuance of the same.
- (iv) The balance, if any, after giving effect to clauses (i) to (iii) above shall be transferred by the Resulting Company to its capital reserve account or goodwill, as the case may be.
- (v) Inter-company transactions and balances including loans, advances, receivable or payable inter se between the Demerged undertaking and Resulting company as appearing in their books of accounts, if any, shall stand cancelled.

## **22. CONDUCT OF THE DEMERGED COMPANY TILL THE EFFECTIVE DATE**

- 22.1** From the Appointed Date, the Demerged Company shall be deemed to have been carrying on and shall carry on its business and activities relating to the Demerged Undertaking and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its estates, properties, rights, title, interest, authorities, contracts and investments and assets forming part of the Demerged Undertaking for and on account of and in trust for the Resulting Company.
- 22.2** All the profits or income accruing or arising to the Demerged Company and expenditure or losses arising or incurred or suffered by the Demerged Company which form part of Demerged Undertaking, for the period commencing from the Appointed Date shall, for all purposes be treated and be deemed to be accrued as the income or profits or losses or expenditure as the case may be of the Resulting Company.
- 22.3** Upon the Scheme becoming effective and with effect from the Appointed Date, any of the rights, powers, authorities or privileges attached, related or forming part of the Demerged Undertaking, exercised by the Demerged Company shall be deemed to have been exercised by the Demerged Company for and on behalf of, and in trust for the Resulting Company. Similarly, any of the obligations, duties and commitments attached, related or forming part of the Demerged Undertaking that have been undertaken or discharged by the Demerged Company shall be deemed to have been undertaken / discharged for and on behalf of the Resulting Company.
- 22.4** The Demerged Company and the Resulting Company shall be entitled, pending sanction of the Scheme, to apply to all Appropriate Authorities concerned as are necessary under any Applicable Law for such consents, approvals and sanctions, which may be required in connection with this Scheme.





- 22.5 With effect from the Effective Date, the Resulting Company shall commence and carry on and shall be authorized to carry on the Pharma Business which was hitherto carried on by the Demerged Company.

### **23. WRONG POCKET ASSETS**

- 23.1 Subject to Clause 13.4, no part of the Demerged Undertaking shall be retained by the Demerged Company after the Effective Date pursuant to the Demerger. If any part of any of the Demerged Undertaking is not transferred to the Resulting Company on the Effective Date pursuant to the Demerger, the Demerged Company shall take such actions as may be reasonably required to ensure that such part of the relevant Demerged Undertaking, as the case may be, is transferred to the Resulting Company promptly and for no further consideration. The Demerged Company shall bear all costs and expenses as may be required to be incurred by each of the Demerged Company or the Resulting Company, for giving effect to this Clause.
- 23.2 No part of the Remaining Business shall be transferred to the Resulting Company pursuant to the Demerger. If any part of the Remaining Business is inadvertently held by the Resulting Company after the Effective Date, the Resulting Company shall take such actions as may be reasonably required to ensure that such part of the Remaining Business is transferred back to the Demerged Company, promptly and for no consideration. The Resulting Company shall bear all costs and expenses as may be required to be incurred by each of the Demerged Company or the Resulting Company for giving effect to this Clause.
- 23.3 If the Demerged Company realizes any amounts after the Effective Date that form part of the Demerged Undertaking, it shall immediately make payment of such amounts to the Resulting Company. It is clarified that all receivables relating to the Demerged Undertaking, for the period prior to the Effective Date, but received after the Effective Date, relate to the Demerged Undertaking and shall be paid to the Resulting Company for no additional consideration. If the Resulting Company realizes any amounts after the Effective Date that pertains to the Remaining Business, the Resulting Company shall immediately pay such amounts to the Demerged Company.

### **PART D - AMALGAMATION OF AMALGAMATING PHARMA COMPANIES INTO THE AMALGAMATED PHARMA COMPANY**

### **24. TRANSFER AND VESTING**

Upon the Scheme becoming effective and with effect from the Appointed Date, each of Amalgamated Pharma Company 1 and Amalgamated Pharma Company 2 shall, pursuant to Sections 230 to 232 and other applicable provisions of the Act, if any, and in terms of Section 2(1B) of the IT Act and pursuant to the Sanction Order, without any further act, instrument or deed, stand amalgamated into the Amalgamated Pharma Company and each of Amalgamated Pharma Undertaking 1 and Amalgamated Pharma Undertaking 2 shall be and stand transferred to and vested in or be deemed to be transferred to and vested in the Amalgamated Pharma Company, as a going concern without any further act, instrument, deed, matter or thing so as to become, the business, undertaking, activities, operations, assets,



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estate, liabilities, properties, right, title, interest and authorities of the Amalgamated Pharma Company by virtue of and in the manner set out below.

#### **24.1 TRANSFER OF ASSETS**

24.1.1 Without prejudice to the generality of the above, upon the Scheme becoming effective and with effect from the Appointed Date:

- (i) All the business, undertaking, activities, operations, estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances comprised in each of Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2 of whatsoever nature and wheresoever situate shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, if any, without any further act or deed, be and stand transferred to and vested in the Amalgamated Pharma Company and shall be deemed to be transferred to and vested in the Amalgamated Pharma Company, as a going concern, so as to become, as and from the Appointed Date, the business, undertaking, activities, operations, estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances of the Amalgamated Pharma Company.
- (ii) All assets, estates, rights, title, claims, investments, interest and authorities acquired by each of Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2, after the Appointed Date and prior to the Effective Date shall also, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, stand transferred to and vested in or be deemed to have been transferred to or vested in the Amalgamated Pharma Company upon the coming into effect of this Scheme, without any further act, instrument or deed.

24.1.2 Without prejudice to the generality of the above, upon the Scheme becoming effective and with effect from the Appointed Date, the transfer of assets shall be as under:

- (i) In respect of such of the assets and properties of each of the Amalgamating Pharma Companies, as are movable in nature (including shares and marketable securities) or incorporeal property and/ or otherwise capable of transfer by manual or constructive delivery and/ or by endorsement and/or delivery, the same shall stand so transferred by each of the Amalgamating Pharma Companies or be deemed to be transferred by delivery or possession or by endorsement and delivery upon the coming into effect of the Scheme, and shall become the assets and property of the Amalgamated Pharma Company with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, if any, without requiring any deed or instrument of conveyance for transfer of the same.
- (ii) In respect of such of the assets and properties belonging to each of the Amalgamating Pharma Companies (other than those referred to in Clause 24.1.1(ii)) including sundry debtors, actionable claims, receivables, bills,





credits (including tax 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 stand transferred to and vested in the Amalgamated Pharma Company and shall be deemed to have been transferred to and vested in the Amalgamated Pharma Company, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party, upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, if any. The Amalgamated Pharma Company may, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in the Amalgamated Pharma Company and be paid or made good or held on account of the Amalgamated Pharma Company as the person entitled thereto.

- (iii) All immovable property, whether or not included in the books of the relevant Amalgamating Pharma Company, whether freehold or leasehold or licensed properties (including but not limited to land, buildings, sites and immovable properties and any other document of title, rights, interest, right of way and easements in relation thereto) of the Amalgamating Pharma Companies shall stand transferred to and be vested in the Amalgamated Pharma Company or be deemed to be transferred to and be vested in the Amalgamated Pharma Company automatically without any act or deed to be done or executed by the Amalgamated Pharma Company and/or the relevant Amalgamating Pharma Company. All lease or license or rent agreements entered into by the respective Amalgamating Pharma Companies with various landlords, owners and lessors in connection with the use of the assets of the relevant Amalgamating Pharma Company, together with security deposits, shall stand automatically transferred in favour of the Amalgamated Pharma Company on the same terms and conditions, subject to Applicable Law, without any further act, instrument or deed. The Amalgamated Pharma Company shall continue to pay rent amounts as provided for in such agreements and shall comply with the other terms, conditions and covenants thereunder and shall also be entitled to refund of security deposits paid under such agreements by the respective Amalgamating Pharma Company. For the purpose of giving effect to the vesting order passed under Sections 230 to 232 of the Act in respect of this Scheme, the Amalgamated Pharma Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfill all its obligations in relation to or applicable to all such immovable properties, including mutation and/or substitution of the ownership or the title to, or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authority(ies) in favour of the Amalgamated Pharma Company pursuant to the Sanction Order and upon the effectiveness of this Scheme in accordance with the terms hereof without any further act or deed to be done or executed. It is clarified that the Amalgamated Pharma



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Company shall be entitled to engage in such correspondence and make such representations, as may be necessary for the purposes of the aforesaid mutation and/or substitution. For the purposes this Clause, the Boards of the relevant Companies may, in their absolute discretion, mutually decide the manner of giving effect to the transfer or vesting of the whole or part of the right, title and interest in all or any of the immovable properties along with any attendant formalities involved, including by way of execution of deed(s) of conveyance, assignment, transfer or rectification, in order to give effect to the objectives of the Scheme.

- (iv) All Intellectual Property and rights thereto of each of Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2, whether registered or unregistered, along with all rights of commercial nature including attached goodwill, title, interest, and all other interests relating to the goods or services being dealt with by the respective Amalgamating Pharma Companies, shall be transferred to, and vest in, the Amalgamated Pharma Company.
- (v) In so far as various incentives, subsidies, exemptions, remissions, reductions, export benefits, all indirect tax related benefits, including GST benefits, service tax benefits, all indirect tax related assets / credits, including but not limited to goods and service tax input credits, service tax input credits, value added/ sales tax/ entry tax credits or set-off, income tax holiday/ benefit/ losses/minimum alternative tax and other benefits or exemptions or privileges enjoyed, granted by any Appropriate Authority or by any other person, or availed of by the respective Amalgamating Pharma Companies are concerned, the same shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, without any further act or deed, vest with and be available to the Amalgamated Pharma Company on the same terms and conditions as were available with the respective Amalgamating Pharma Company and as if the same had been allotted and/ or granted and/ or sanctioned and/ or allowed to the Amalgamated Pharma Company, to the end and intent that the right of the relevant Amalgamating Pharma Company to recover or realize the same, stands transferred to the Amalgamated Pharma Company and that appropriate entries should be passed in its books to record the aforesaid changes.
- (vi) With respect to the investments made by the respective Amalgamating Pharma Companies in shares, stocks, bonds, warrants, units of mutual funds or any other securities, shareholding interests in other companies, whether quoted or unquoted, by whatever name called, the same shall, without any further act, instrument or deed, be transferred to and vested in and / or be deemed to be transferred to and vested in the Amalgamated Pharma Company on the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.
- (vii) Any claims due to the respective Amalgamating Pharma Companies from their customers or otherwise and which have not been received by the respective Amalgamating Pharma Companies as on the date immediately





preceding the Appointed Date as the case may be shall also belong to and be received by the Amalgamated Pharma Company.

- 24.1.3 For avoidance of doubt, in order to ensure the smooth transition and sales of products and inventory of the Amalgamating Pharma Companies manufactured and/ or branded and/ or labelled and/ or packed in the name of the Amalgamating Pharma Companies prior to the Effective Date, the Amalgamated Pharma Company shall have the right to own, use, market, sell, exhaust or to in any manner deal with any such products and inventory (including packing material) pertaining to the Amalgamating Pharma Companies at manufacturing locations or warehouses or elsewhere, without making any modifications whatsoever to such products and /or their branding, packing or labelling. All invoices/ payment related documents pertaining to such products and inventory (including packing material) may be raised in the name of the Amalgamated Pharma Company after the Effective Date.
- 24.1.4 Notwithstanding the fact that vesting of the Amalgamated Pharma Undertaking 1 and Amalgamated Pharma Undertaking 2 occurs by virtue of this Scheme, the Amalgamated Pharma Company may, at any time on or after the Appointed Date, in accordance with the provisions hereof if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or arrangements with any party to any contract or arrangement to which the respective Amalgamating Pharma Companies are a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme.
- 24.1.5 On and from the Effective Date and thereafter, the Amalgamated Pharma Company shall be entitled to operate all bank accounts of the Amalgamating Pharma Companies and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the relevant Amalgamating Pharma Company.
- 24.1.6 It is clarified that with effect from the Effective Date and till such time that the name of the bank accounts of the respective Amalgamating Pharma Companies have been replaced with that of the Amalgamated Pharma Company, the Amalgamated Pharma Company shall be entitled to operate the bank accounts of the Amalgamating Pharma Companies in the name of the respective Amalgamating Pharma Company in so far as may be necessary. All cheques and other negotiable instruments, electronic fund transfers (such as NEFT, RTGS, etc.) and payment orders received or presented for encashment which are in the name of the respective Amalgamating Pharma Companies after the Appointed Date shall be accepted by the bankers of the Amalgamated Pharma Company and credited to the account of the Amalgamated Pharma Company, if presented by the Amalgamated Pharma Company. It is hereby expressly clarified that any legal proceedings by or against the Amalgamating Pharma Companies in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the respective Amalgamating Pharma Company shall be instituted, or as the case may be, continued by or against the Amalgamated Pharma Company after the Effective Date.



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## 24.2 TRANSFER OF LIABILITIES

- (i) Upon coming into effect of this Scheme and with effect from the Appointed Date (or in case of any Liability incurred on a date on or after the Appointed Date, with effect from such date), all Liabilities, whether or not provided in the books of the respective Amalgamating Pharma Company shall without any further act, instrument or deed be and stand transferred to the Amalgamated Pharma Company to the extent that they are outstanding as on the Effective Date and shall thereupon become as and from the Appointed Date (or in case of any Liability incurred on a date on or after the Appointed Date, with effect from such date) the debts, duties, obligations, and liabilities of the Amalgamated Pharma Company, along with any Encumbrance relating thereto, on the same terms and conditions as were applicable to the relevant Amalgamating Pharma Company and the Amalgamated Pharma Company undertakes to meet, discharge and satisfy the same. It shall not be necessary to obtain the consent of any third party or other person who is a party to any such contracts, deeds, bonds, agreements, schemes, arrangements and other instruments to give effect to the provisions of this Clause 24.2 of the Scheme.
- (ii) Where any of the Liabilities has been partially or fully discharged by the respective Amalgamating Pharma 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 Amalgamated Pharma Company, and all liabilities and obligations incurred by the respective Amalgamating Pharma Company after the Appointed Date and prior to the Effective Date shall be deemed to have been incurred for and on behalf of the Amalgamated Pharma Company, and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Amalgamated Pharma Company and shall become the liabilities and obligations of the Amalgamated Pharma Company.
- (iii) Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a liability including a contingent liability in whatever form), if any, due on the Effective Date between any Amalgamating Pharma Company and the Amalgamated Pharma Company shall automatically stand discharged and come to an end and there shall be no liability in that behalf on such Amalgamating Pharma Company and the Amalgamated Pharma Company and the appropriate effect shall be given in the books of account and records of the Amalgamated Pharma Company.
- (iv) Any reference in any security documents or arrangements (to which any of the Amalgamating Pharma Companies is a party) to an Amalgamating Pharma Company and its assets and properties, shall be construed as a reference to the Amalgamated Pharma Company and the assets and properties of the respective Amalgamating Pharma Company transferred to the Amalgamated Pharma Company by virtue of this Scheme. Without prejudice to the foregoing provisions, each of the Amalgamating Pharma Companies may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary





particulars and/or modification(s) of charge, with the Registrar of Companies, to give formal effect to the above provisions, if required.

- (v) Upon the coming into effect of this Scheme, the Amalgamated Pharma Company shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of this Scheme.
- (vi) It is expressly provided that, save as herein provided, no other term or condition of the Liabilities transferred to the Amalgamated Pharma Company is amended by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.
- (vii) The provisions of this Clause 24.2 and of Clause 24.3 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security documents, all of which instruments, deeds or writings shall be deemed to have been modified and/ or superseded by the foregoing provisions.
- (viii) Upon the coming into effect of this Scheme, the borrowing limits of the Amalgamated Pharma Company in terms of Section 180(1)(c) of the Act shall be deemed increased without any further act, instrument or deed to the equivalent of the aggregate borrowings forming part of the Liabilities transferred by the Amalgamating Pharma Companies to the Amalgamated Pharma Company pursuant to the Scheme. Such limits shall be incremental to the existing borrowing limits of the Amalgamated Pharma Company.

#### **24.3 ENCUMBRANCES**

- (i) The transfer and vesting of the assets to and in the Amalgamated Pharma Company upon the coming into effect of the Scheme shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided.
- (ii) The Encumbrances, if any, existing prior to the Effective Date over the assets of each of the Amalgamating Pharma Companies which secure or relate to the Liabilities of each of the Amalgamating Pharma Companies 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 Amalgamated Pharma Company. Provided that if any of the assets of any of the Amalgamating Pharma Companies 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 Amalgamated Pharma 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.
- (iii) The existing Encumbrances over the other assets and properties of the Amalgamated Pharma Company or any part thereof which relate to the liabilities and obligations of the Amalgamated Pharma Company prior to the Effective Date shall continue to relate to such assets and properties and





shall not extend or attach to any of the assets and properties of any of the Amalgamating Pharma Companies transferred to and vested in the Amalgamated Pharma Company by virtue of the Scheme.

- (iv) If any Encumbrance of the Amalgamating Pharma Companies exists as on the Appointed Date, but has been partially or fully released thereafter by the respective Amalgamating Pharma Company on or after the Appointed Date but prior to the Effective Date, such release shall be deemed to be for and on account of the Amalgamated Pharma Company upon the coming into effect of the Scheme.
- (v) Without any prejudice to the provisions of the foregoing Clauses and upon coming into effect of this Scheme, the Amalgamated Pharma Company may enter into and execute such other deeds, instruments, documents and/ or writings and/ or do all acts and deeds as may be required, including the filing of necessary particulars and/ or modification(s) of charge, with the Registrar of Companies to give formal effect to the provisions of this Clause and foregoing Clauses, if required.

## **25. EMPLOYEES**

**25.1** On the Scheme becoming effective, all employees of each of the Amalgamating Pharma Companies shall be deemed to have become employees of the Amalgamated Pharma Company with effect from the Appointed Date or their respective joining date, whichever is later, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Amalgamated Pharma Company shall not be less favourable than those applicable to them with reference to their employment in the respective Amalgamating Pharma Company on the Effective Date. The services of all employees with the Amalgamating Pharma Companies prior to the Pharma Amalgamations shall be taken into account for the purposes of all benefits to which the employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits and to this effect the accumulated balances, if any, standing to the credit of the employees in the existing provident fund, gratuity fund and superannuation funds nominated by the Amalgamated Pharma Company and/or such new provident fund, gratuity fund and superannuation fund to be established and caused to be recognized by the Appropriate Authorities, by the Amalgamated Pharma Company, or to the government provident fund in relation to the employees who are not eligible to become members of the provident fund maintained by the Amalgamated Pharma Company.

**25.2** It is expressly provided that, on the Scheme becoming effective, insofar as the provident fund, gratuity fund, superannuation fund or any other special fund or trusts, if any, created or existing for the benefit of the staff and employees of the respective Amalgamating Pharma Companies are concerned the investments made in the funds and liabilities shall be transferred to the similar funds created and/ or nominated by the Amalgamated Pharma Company and shall be held for their benefit pursuant to this Scheme, or at the sole discretion of the Amalgamated Pharma Company, maintained as separate funds by the Amalgamated Pharma Company. In the event that the Amalgamated Pharma Company does not have its own funds in





respect of any of the above, the Amalgamated Pharma Company may, subject to necessary approvals and permissions, continue to contribute to the relevant Funds, until such time that the Amalgamated Pharma Company creates its own funds, at which time the funds and the investments and contributions pertaining to the employees shall be transferred to the funds created by the Amalgamated Pharma Company.

- 25.3** Further to the transfer of funds as set out in Clause 25.2 above, for all purposes whatsoever in relation to the administration or operation of such funds or in relation to the obligation to make contributions to the said funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, all rights, duties, powers and obligations of the respective Amalgamating Pharma Companies as on the Effective Date in relation to such funds shall become those of the Amalgamated Pharma Company. It is clarified that the services of the employees will be treated as having been continuous for the purpose of the said funds.
- 25.4** In relation to any other fund (including any funds set up by the government for employee benefits) created or existing for the benefit of the employees of the Amalgamating Pharma Companies, the Amalgamated Pharma Company shall stand substituted for the Amalgamating Pharma Companies, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of such employees.
- 25.5** Upon the coming into effect of this Scheme, the directors or key managerial personnel of the each of the Amalgamating Pharma Companies will not become directors or key managerial personnel of the Amalgamated Pharma Company merely by virtue of the provisions of this Scheme. It is clarified that this Scheme will not affect any directorship / or key managerial position of a person who is already a director / or key managerial personnel in the Amalgamated Pharma Company as of the Effective Date, if any.

## **26. LEGAL PROCEEDINGS**

- 26.1** Upon the coming into effect of this Scheme, if any suit, appeal, legal, or other proceeding of whatever nature, whether criminal or civil (including before any statutory or quasi-judicial authority or tribunal), under Applicable Law, by or against any of the Amalgamating Pharma Companies is pending on the Effective Date or is instituted any time thereafter, and if such proceedings are capable of being continued by or against the Amalgamated Pharma Company under Applicable Law, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings shall be continued, prosecuted and enforced by or against the Amalgamated Pharma Company, as the case may be, after the Effective Date, in the same manner and to the same extent as it would have been continued, prosecuted and enforced by or against the relevant Amalgamating Pharma Company, as if this Scheme had not been made.
- 26.2** The Amalgamated Pharma Company undertakes to have all legal or other proceedings initiated by or against any of the Amalgamating Pharma Companies





referred to in this Clause 26 transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Amalgamated Pharma Company to the exclusion of the relevant Amalgamating Pharma Company. The Amalgamated Pharma Company shall make relevant applications in this connection.

## **27. CONTRACTS, DEEDS, ETC.**

**27.1** Upon coming into effect of this Scheme and subject to the other provisions of this Scheme, all contracts, deeds, bonds, schemes, insurance, letters of intent, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature to which any of the Amalgamating Pharma Companies is a party or to the benefit of which any of the Amalgamating Pharma Companies is eligible and which is subsisting or having effect on the Effective Date, shall without any further act or deed, continue in full force and effect against or in favour of the Amalgamated Pharma Company and may be enforced by or against the Amalgamated Pharma Company as fully and effectually as if, instead of the respective Amalgamating Pharma Companies, the Amalgamated Pharma Company had been a party thereto. It shall not be necessary to obtain the consent of any third party or other person who is a party to any such contracts, deeds, bonds, agreements, schemes, arrangements and other instruments to give effect to the provisions of this Clause 27 of the Scheme.

**27.2** Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Amalgamating Pharma Companies occurs by virtue of this Scheme itself, the Amalgamated Pharma Company may, at any time after the coming into effect of the Scheme, in accordance with its provisions, if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), instruments, confirmations or other writings or arrangements with any party to any contract or arrangement to which the respective Amalgamating Pharma Companies is a party, or any writings as may be necessary, in order to give formal effect to the provisions of this Scheme. The Amalgamated Pharma Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the relevant Amalgamating Pharma Company and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating Pharma Companies to be carried out or performed.

## **28. PERMITS, CONSENTS AND LICENSES**

**28.1** All the licenses, permits, permissions, consents, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, allotments, insurance cover, clearances, authorities, privileges, affiliations, easements, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted, conferred upon, held or availed of by and all rights and benefits that have accrued to any of the Amalgamating Pharma Companies, and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents received by any of the Amalgamating Pharma Companies, shall, pursuant to the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed, be transferred to and vest in or be deemed to have been transferred to and vested in and be available to the Amalgamated Pharma Company so as to become as and from





the Appointed Date, the estates, assets, licenses, permits, privileges, title, interests and authorities of the Amalgamated Pharma Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in Applicable Law and the concerned licensors and grantors of such approvals, clearances, permissions, etc., shall endorse, where necessary, and record, in accordance with Applicable Law, the Amalgamated Pharma Company on such approvals, clearances, permissions etc. so as to acknowledge and record the transfer and vesting of the Amalgamated Pharma Undertaking 1 and Amalgamated Pharma Undertaking 2 in the Amalgamated Pharma Company and continuation of operations of the Amalgamating Pharma Companies in the Amalgamated Pharma Company without hindrance and that such approvals, clearances and permissions etc. shall remain in full force and effect in favour of or against the Amalgamated Pharma Company, as the case may be, the Amalgamated Pharma 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 Amalgamated Pharma Company and may be enforced as fully and effectually as if, instead of the relevant Amalgamating Pharma Company, the Amalgamated Pharma Company had been a party or recipient or beneficiary or obligee thereto.

- 28.2** 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, pre-qualifications, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Amalgamating Pharma Companies including by any Appropriate Authority, including the benefits of any applications made for any of the foregoing, shall, subject to Applicable Law, stand transferred to the Amalgamated Pharma Company as if the same were originally given by, issued to or executed in favour of the Amalgamated Pharma Company, and the Amalgamated Pharma 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 Amalgamated Pharma Company. The Amalgamated Pharma Company and/or Amalgamating Pharma Companies shall make necessary applications / file relevant forms to any Appropriate Authority as may be necessary in this behalf.
- 28.3** Upon this Scheme being effective, the past track record of the respective Amalgamating Pharma Companies, including without limitation, the profitability, experience, credentials and market share, shall be deemed to be the track record of the Amalgamated Pharma Company for all commercial and regulatory purposes including for the purposes of eligibility, standing, evaluation and participation of the Amalgamated Pharma Company in all existing and future bids, tenders and contracts of all authorities, agencies and clients.
- 28.4** From the Appointed Date and until the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status are transferred, vested, recorded, effected, and / or perfected, in the record of the Appropriate Authority, in favour of the Amalgamated Pharma Company, the Amalgamated Pharma Company is authorized to carry on business in the name and style of the relevant Amalgamating Pharma Company, and under the relevant license and or permit and/or approval, as the case may be, and the





Amalgamated Pharma Company shall keep a record and / or account of such transactions.

**29. VALIDITY OF EXISTING RESOLUTIONS**

- 29.1** Upon the coming into effect of the Scheme, the resolutions, if any, of any of the Amalgamating Pharma Companies, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Amalgamated Pharma Company, and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, such limits shall be added to the limits, if any, under like resolutions passed by the Amalgamated Pharma Company, and shall constitute the aggregate of the said limits in the Amalgamated Pharma Company.

**30. CANCELLATION OF SHARE CAPITAL**

- 30.1** Notwithstanding anything contained under the Act, pursuant to the provisions of Sections 230 to 232 of the Act, the equity shares of each of Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2 held by the Amalgamated Pharma Company and its nominees, shall stand cancelled and extinguished without any further act, instrument or deed immediately upon the Scheme coming into effect. It is clarified that no new shares shall be issued or payment made in cash or in kind, whatsoever, by the Amalgamated Pharma Company in lieu of such shares of Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2.

**31. ACCOUNTING TREATMENT IN THE BOOKS OF THE AMALGAMATED PHARMA COMPANY**

The Amalgamated Pharma Company shall account for the amalgamation in its books of accounts in accordance with the 'pooling of interest method' laid down in Appendix C of Indian Accounting Standard - 103, Business Combinations and other accounting principles prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Act.

- (i) The Amalgamated Pharma Company shall record all the assets and liabilities of the Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2 vested in it pursuant to this Scheme, at their respective book values as appearing in the Consolidated Financial Statement of the Amalgamated Pharma Company. Inter-company balances, loans and advances, if any, will stand cancelled.
- (ii) The Amalgamated Pharma Company shall record all reserves of the Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2 vested in it pursuant to this Scheme, in the same form and manner, at their respective book values as appearing in the Consolidated Financial Statement of the Amalgamated Pharma Company.
- (iii) The carrying amount of investments in the equity shares of the Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2 held by Amalgamated Pharma Company, shall stand cancelled and there shall be no further obligation in that behalf.





- (iv) Comparative financial information in the financial statements of the Amalgamated Pharma Company shall be restated for the accounting impact of merger, as stated above, as if the merger had occurred from the beginning of the comparative period or from the date of acquisition, whichever is later.
- (v) The difference, if any, between the assets, liabilities and reserves acquired in clause (i) and (ii) above and equity shares cancelled as stated in clause (iii) above shall be transferred to capital reserve.

## **32. CONDUCT OF BUSINESS TILL EFFECTIVE DATE**

- 32.1** With effect from the Appointed Date and pursuant to the Pharma Amalgamations, up to and including the Effective Date, each of the Amalgamating Pharma Companies shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all its estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions pertaining to the Amalgamated Pharma Undertakings for and on account of, and in trust for the Amalgamated Pharma Company.
- 32.2** All profits and income accruing or arising to the Amalgamating Pharma Companies, and losses and expenditure arising or incurred by the relevant Amalgamating Pharma Companies (including taxes, if any, accruing or paid in relation to any profits or income) for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure (including taxes), as the case may be, of the Amalgamated Pharma Company.
- 32.3** Any of the rights, powers, authorities or privileges exercised by the Amalgamating Pharma Companies for the period commencing from the Appointed Date shall be deemed to have been exercised by the Amalgamating Pharma Companies for and on behalf of, and in trust for and as an agent of the Amalgamated Pharma Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Amalgamating Pharma Companies, for the period commencing from the Appointed Date, shall be deemed to have been undertaken for and on behalf of and as an agent for the Amalgamated Pharma Company.
- 32.4** All Taxes (including but not limited to advance tax, self-assessment tax, regular tax, TDS, minimum alternate tax credits, dividend distribution tax, securities transaction tax, taxes withheld/ paid in a foreign country, value added tax, sales tax, service tax, goods and service tax, surcharge, cess, etc.) paid / payable by or refunded / refundable to the each of Amalgamating Pharma Companies with effect from the Appointed Date, including all or any refunds or claims shall be treated as the tax liability or refunds/ claims, etc. as the case may be, of the Amalgamated Pharma Company, and any tax incentives, advantages, privileges, accumulated losses and allowance for unabsorbed depreciation as per Section 72A of the IT Act, losses brought forward and unabsorbed depreciation as per books of account, deductions otherwise admissible including payment admissible on actual payment or on deduction of appropriate taxes or on payment of TDS, such as under Sections 40, 40A, 43B, etc. of the IT Act, exemptions, credits, deductions / holidays, remissions, reductions, service tax input credits, GST input credits etc., as would have been





available to the Amalgamating Pharma Companies, shall pursuant to this Scheme becoming effective, be available to the Amalgamated Pharma Company, and, shall, in all proceedings, be dealt with accordingly.

- 32.5** Subject to the terms of the Scheme, the transfer and vesting of the Amalgamating Pharma Companies as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded by the respective Amalgamating Pharma Companies on or before the Appointed Date or after the Appointed Date till the Effective Date, to the end and intent that the Amalgamated Pharma Company accepts and adopts all acts, deeds and things made, done and executed by each of the Amalgamating Pharma Companies as acts, deeds and things made, done and executed by or on behalf of the Amalgamated Pharma Company.

### **33. DISSOLUTION OF AMALGAMATING PHARMA COMPANIES**

- 33.1** On the Effective Date, each of Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2 shall stand dissolved without being wound-up and without any further act or deed.

### **PART E – FS AMALGAMATION OF AMALGAMATING FS COMPANY INTO THE AMALGAMATED FS COMPANY**

### **34. TRANSFER AND VESTING**

Upon the Scheme becoming effective and with effect from the Appointed Date, the Amalgamating FS Company shall, pursuant to Sections 230 to 232 and other applicable provisions of the Act, if any, and in terms of Section 2(1B) of the IT Act and pursuant to the Sanction Order, without any further act, instrument or deed, stand amalgamated into the Amalgamated FS Company and the Amalgamated FS Undertaking shall be and stand transferred to and vested in or be deemed to be transferred to and vested in the Amalgamated FS Company, as a going concern without any further act, instrument, deed, matter or thing so as to become, the business, undertaking, activities, operations, assets, estate, liabilities, properties, right, title, interest and authorities of the Amalgamated FS Company by virtue of and in the manner set out below.

It is clarified that upon the Scheme becoming effective, subject to obtaining the requisite approval from the RBI, (i) the Amalgamating FS Company shall surrender its license/ certificate of registration to operate as a Non-Banking Financial Company; and (ii) the Amalgamated FS Company shall obtain license / certificate of registration to operate as an NBFC.

### **34.1 TRANSFER OF ASSETS**

- 34.1.1** Without prejudice to the generality of the above, upon the Scheme becoming effective and with effect from the Appointed Date:

- (i) All the business, undertaking, activities, operations, estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances comprised in the Amalgamating FS Company of whatsoever nature and wheresoever situate shall, under the provisions of





Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, if any, without any further act or deed, be and stand transferred to and vested in the Amalgamated FS Company and shall be deemed to be transferred to and vested in the Amalgamated FS Company, as a going concern, so as to become, as and from the Appointed Date, the business, undertaking, activities, operations, estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances of the Amalgamated FS Company.

- (ii) All assets, estates, rights, title, claims, investments, interest and authorities acquired by the Amalgamating FS Company, after the Appointed Date and prior to the Effective Date shall also, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, stand transferred to and vested in or be deemed to have been transferred to or vested in the Amalgamated FS Company upon the coming into effect of this Scheme, without any further act, instrument or deed.

34.1.2 Without prejudice to the generality of the above, upon the Scheme becoming effective and with effect from the Appointed Date, the transfer of assets shall be as under:

- (i) In respect of such of the assets and properties of the Amalgamating FS Company, as are movable in nature (including shares and marketable securities) or incorporeal property and/or otherwise capable of transfer by manual or constructive delivery and/ or by endorsement and/or delivery, the same shall stand so transferred or be deemed to be transferred by delivery or possession or by endorsement and delivery upon the coming into effect of the Scheme, and shall become the assets and property of the Amalgamated FS Company with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, if any, without requiring any deed or instrument of conveyance for transfer of the same.
- (ii) In respect of such of the assets and properties belonging to the Amalgamating FS Company (other than those referred to in Clause 34.1.1(ii)) including sundry debtors, actionable claims, receivables, bills, credits (including tax 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 stand transferred to and vested in the Amalgamated FS Company and shall be deemed to have been transferred to and vested in the Amalgamated FS Company, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party, upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, if any. The Amalgamated FS Company may, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in the Amalgamated FS

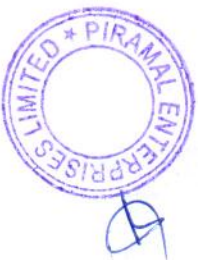




Company and be paid or made good or held on account of the Amalgamated FS Company as the person entitled thereto.

- (iii) All immovable property, whether or not included in the books of the Amalgamating FS Company, whether freehold or leasehold or licensed properties (including but not limited to land, buildings, sites and immovable properties and any other document of title, rights, interest, right of way and easements in relation thereto) of the Amalgamating FS Company shall stand transferred to and be vested in the Amalgamated FS Company or be deemed to be transferred to and be vested in the Amalgamated FS Company automatically without any act or deed to be done or executed by the Amalgamated FS Company and/or the Amalgamating FS Company. All lease or license or rent agreements entered into by the Amalgamating FS Company with various landlords, owners and lessors in connection with the use of the assets of the Amalgamating FS Company, together with security deposits, shall stand automatically transferred in favour of the Amalgamated FS Company on the same terms and conditions, subject to Applicable Law, without any further act, instrument or deed. The Amalgamated FS Company shall continue to pay rent amounts as provided for in such agreements and shall comply with the other terms, conditions and covenants thereunder and shall also be entitled to refund of security deposits paid under such agreements by the Amalgamating FS Company. For the purpose of giving effect to the vesting order passed under Sections 230 to 232 of the Act in respect of this Scheme, the Amalgamated FS Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfill all its obligations in relation to or applicable to all such immovable properties, including mutation and/or substitution of the ownership or the title to, or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authority(ies) in favour of the Amalgamated FS Company pursuant to the Sanction Order and upon the effectiveness of this Scheme in accordance with the terms hereof without any further act or deed to be done or executed. It is clarified that the Amalgamated FS Company shall be entitled to engage in such correspondence and make such representations, as may be necessary for the purposes of the aforesaid mutation and/or substitution. For the purposes this Clause, the Boards of the relevant Companies may, in their absolute discretion, mutually decide the manner of giving effect to the transfer or vesting of the whole or part of the right, title and interest in all or any of the immovable properties along with any attendant formalities involved, including by way of execution of deed(s) of conveyance, assignment, transfer or rectification, in order to give effect to the objectives of the Scheme.

- (iv) All Intellectual Property and rights thereto of the Amalgamating FS Company, whether registered or unregistered, along with all rights of commercial nature including attached goodwill, title, interest, and all other interests relating to the goods or services being dealt with by the Amalgamating FS Company, shall be transferred to, and vest in, the Amalgamated FS Company.





- (v) In so far as various incentives, subsidies, exemptions, remissions, reductions, export benefits, all indirect tax related benefits, including GST benefits, service tax benefits, all indirect tax related assets / credits, including but not limited to goods and service tax input credits, service tax input credits, value added/ sales tax/ entry tax credits or set-off, income tax holiday/ benefit/ losses/minimum alternative tax and other benefits or exemptions or privileges enjoyed, granted by any Appropriate Authority or by any other person, or availed of by the Amalgamating FS Company are concerned, the same shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, without any further act or deed, vest with and be available to the Amalgamated FS Company on the same terms and conditions as were available with the Amalgamating FS Company and as if the same had been allotted and/ or granted and/ or sanctioned and/ or allowed to the Amalgamated FS Company, to the end and intent that the right of the Amalgamating FS Company to recover or realize the same, stands transferred to the Amalgamated FS Company and that appropriate entries should be passed in its books to record the aforesaid changes.
  - (vi) With respect to the investments made by the Amalgamating FS Company in shares, stocks, bonds, warrants, units of mutual funds or any other securities, shareholding interests in other companies, whether quoted or unquoted, by whatever name called, the same shall, without any further act, instrument or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Amalgamated FS Company on the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.
  - (vii) Any claims due to the Amalgamating FS Company from their customers or otherwise and which have not been received as on the date immediately preceding the Appointed Date as the case may be shall also belong to and be received by the Amalgamated FS Company.
- 34.1.3 Notwithstanding the fact that vesting of the Amalgamated FS Undertaking occurs by virtue of this Scheme, the Amalgamated FS Company may, at any time on or after the Appointed Date, in accordance with the provisions hereof if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or arrangements with any party to any contract or arrangement to which the Amalgamating FS Company was a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme.
- 34.1.4 On and from the Effective Date and thereafter, the Amalgamated FS Company shall be entitled to operate all bank accounts of the Amalgamating FS Company and realize all monies and complete and enforce all pending contracts and transactions.
- 34.1.5 It is clarified that with effect from the Effective Date and till such time that the name of the bank accounts of the Amalgamating FS Company have been replaced with that of the Amalgamated FS Company, the Amalgamated FS Company shall be entitled to operate the bank accounts in the name of the Amalgamating FS Company in so far as may be necessary. All cheques and other negotiable instruments, electronic fund transfers (such as NEFT, RTGS, etc.) and payment orders received





or presented for encashment which are in the name of the Amalgamating FS Company after the Appointed Date shall be accepted by the bankers of the Amalgamated FS Company and credited to the account of the Amalgamated FS Company, if presented by the Amalgamated FS Company. It is hereby expressly clarified that any legal proceedings by or against the Amalgamating FS Company in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Amalgamating FS Company shall be instituted, or as the case may be, continued by or against the Amalgamated FS Company after the Effective Date.

### 34.2 TRANSFER OF LIABILITIES

- (i) Upon coming into effect of this Scheme and with effect from the Appointed Date (or in case of any Liability incurred on a date on or after the Appointed Date, with effect from such date), all Liabilities, whether or not provided in the books of the Amalgamating FS Company shall without any further act, instrument or deed be and stand transferred to the Amalgamated FS Company to the extent that they are outstanding as on the Effective Date and shall thereupon become as and from the Appointed Date (or in case of any Liability incurred on a date on or after the Appointed Date, with effect from such date) the debts, duties, obligations, and liabilities of the Amalgamated FS Company, along with any Encumbrance relating thereto, on the same terms and conditions as were applicable to the Amalgamating FS Company and the Amalgamated FS Company undertakes to meet, discharge and satisfy the same. It shall not be necessary to obtain the consent of any third party or other person who is a party to any such contracts, deeds, bonds, agreements, schemes, arrangements and other instruments to give effect to the provisions of this Clause 34.2 of the Scheme.
- (ii) Where any of the Liabilities has been partially or fully discharged by the Amalgamating FS 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 Amalgamated FS Company, and all liabilities and obligations incurred by the Amalgamating FS Company after the Appointed Date and prior to the Effective Date shall be deemed to have been incurred for and on behalf of the Amalgamated FS Company, and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Amalgamated FS Company and shall become the liabilities and obligations of the Amalgamated FS Company.
- (iii) Without prejudice to the generality of the above, all non-convertible debentures ("NCDs"), external commercial borrowings, bonds or other debt securities, commercial paper, and other instruments of like nature (whether convertible into equity shares or not) ("Debt Securities") of the Amalgamating FS Company shall without any further act, instrument or deed, become the Debt Securities of the Amalgamated FS Company on the same terms and conditions 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 Amalgamated FS Company as if it was the issuer of such Debt Securities, so transferred and vested. Subject to the requirements, if any,





imposed or concessions, if any, by the stock exchanges, and other terms and conditions agreed with the stock exchanges, the NCDs which stand transferred to and vested in the Amalgamated FS Company, shall continue to be listed and/or admitted to trading on the relevant stock exchange, where the NCDs are currently listed, subject to applicable regulations and prior approval requirements, if any. The Amalgamated FS Company shall execute appropriate documents as may be required under Applicable Law for giving effect to the above. The Boards of the Amalgamated FS Company and the Amalgamating FS Company shall be authorized to take such steps and do all acts, deeds and things in relation to the foregoing.

- (iv) Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a liability including a contingent liability in whatever form), if any, due on the Effective Date between the Amalgamating FS Company and the Amalgamated FS Company shall automatically stand discharged and come to an end and there shall be no liability in that behalf on the Amalgamating FS Company and the Amalgamated FS Company and the appropriate effect shall be given in the books of account and records of the Amalgamated FS Company.
- (v) Any reference in any security documents or arrangements (to which the Amalgamating FS Company is a party) to the Amalgamating FS Company and its assets and properties, shall be construed as a reference to the Amalgamated FS Company and the assets and properties of the Amalgamating FS Company transferred to the Amalgamated FS Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Amalgamating FS Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, to give formal effect to the above provisions, if required.
- (vi) Upon the coming into effect of this Scheme, the Amalgamated FS Company shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of this Scheme.
- (vii) It is expressly provided that, save as herein provided, no other term or condition of the Liabilities transferred to the Amalgamated FS Company is amended by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.
- (viii) The provisions of this Clause 34.2 and of Clause 34.3 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security documents, all of which instruments, deeds or writings shall be deemed to have been modified and/ or superseded by the foregoing provisions.
- (ix) Upon the coming into effect of this Scheme, the borrowing limits of the Amalgamated FS Company in terms of Section 180(1)(c) of the Act shall be deemed increased without any further act, instrument or deed to the





equivalent of the aggregate borrowings forming part of the Liabilities transferred by the Amalgamating FS Company to the Amalgamated FS Company pursuant to the Scheme. Such limits shall be incremental to the existing borrowing limits of the Amalgamated FS Company.

### 34.3 ENCUMBRANCES

- (i) The transfer and vesting of the assets to and in the Amalgamated FS Company upon the coming into effect of the Scheme shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided.
- (ii) The Encumbrances, if any, existing prior to the Effective Date over the assets of the Amalgamating FS Company which secure or relate to the Liabilities of the Amalgamating FS Company 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 Amalgamated FS Company. Provided that if any of the assets of the Amalgamating FS 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 Amalgamated FS 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.
- (iii) The existing Encumbrances over the other assets and properties of the Amalgamated FS Company or any part thereof which relate to the liabilities and obligations of the Amalgamated FS Company prior to the Effective Date shall continue to relate to such assets and properties and shall not extend or attach to any of the assets and properties of the Amalgamating FS Company transferred to and vested in the Amalgamated FS Company by virtue of the Scheme.
- (iv) If any Encumbrance of the Amalgamating FS Company exists as on the Appointed Date, but has been partially or fully released thereafter by the Amalgamating FS Company on or after the Appointed Date but prior to the Effective Date, such release shall be deemed to be for and on account of the Amalgamated FS Company upon the coming into effect of the Scheme.
- (v) Without any prejudice to the provisions of the foregoing Clauses and upon coming into effect of this Scheme, the Amalgamated FS Company may enter into and execute such other deeds, instruments, documents and/ or writings and/ or do all acts and deeds as may be required, including the filing of necessary particulars and/ or modification(s) of charge, with the Registrar of Companies to give formal effect to the provisions of this Clause and foregoing Clauses, if required.





## **35. EMPLOYEES**

- 35.1** On the Scheme becoming effective, all employees of the Amalgamating FS Company shall be deemed to have become employees of the Amalgamated FS Company with effect from the Appointed Date or their respective joining date, whichever is later, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Amalgamated FS Company shall not be less favourable than those applicable to them with reference to their employment in the Amalgamating FS Company on the Effective Date. The services of all employees with the Amalgamating FS Company prior to the FS Amalgamation shall be taken into account for the purposes of all benefits to which the employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits and to this effect the accumulated balances, if any, standing to the credit of the employees in the existing provident fund, gratuity fund and superannuation funds nominated by the Amalgamated FS Company and/or such new provident fund, gratuity fund and superannuation fund to be established and caused to be recognized by the Appropriate Authorities, by the Amalgamated FS Company, or to the government provident fund in relation to the employees who are not eligible to become members of the provident fund maintained by the Amalgamated FS Company.
- 35.2** It is expressly provided that, on the Scheme becoming effective, insofar as the provident fund, gratuity fund, superannuation fund or any other special fund or trusts, if any, created or existing for the benefit of the staff and employees of the Amalgamating FS Company are concerned the investments made in the funds and liabilities shall be transferred to the similar funds created and/or nominated by the Amalgamated FS Company and shall be held for their benefit pursuant to this Scheme, or at the sole discretion of the Amalgamated FS Company, maintained as separate funds by the Amalgamated FS Company. In the event that the Amalgamated FS Company does not have its own funds in respect of any of the above, the Amalgamated FS Company may, subject to necessary approvals and permissions, continue to contribute to the relevant funds, until such time that the Amalgamated FS Company creates its own funds, at which time the funds and the investments and contributions pertaining to the employees shall be transferred to the funds created by the Amalgamated FS Company.
- 35.3** Further to the transfer of funds as set out in Clause 35.2 above, for all purposes whatsoever in relation to the administration or operation of such funds or in relation to the obligation to make contributions to the said funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, all rights, duties, powers and obligations of the Amalgamating FS Company as on the Effective Date in relation to such funds shall become those of the Amalgamated FS Company. It is clarified that the services of the employees will be treated as having been continuous for the purpose of the said funds.
- 35.4** In relation to any other fund (including any funds set up by the government for employee benefits) created or existing for the benefit of the employees of the Amalgamating FS Company, the Amalgamated FS Company shall stand substituted for the Amalgamating FS Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of such employees.





- 35.5 Upon the coming into effect of this Scheme, the directors/ or key managerial personnel of the Amalgamating FS Company will not become directors or key managerial personnel of the Amalgamated FS Company merely by virtue of the provisions of this Scheme. It is clarified that this Scheme will not affect any directorship/ or key managerial positions of a person who is already a director / or key managerial personnel in the Amalgamated FS Company as of the Effective Date, if any.

### 36. LEGAL PROCEEDINGS

- 36.1 Upon the coming into effect of this Scheme, if any suit, appeal, legal, or other proceeding of whatever nature, whether criminal or civil (including before any statutory or quasi-judicial authority or tribunal), under Applicable Law, by or against the Amalgamating FS Company is pending on the Effective Date or is instituted any time thereafter, and if such proceedings are capable of being continued by or against the Amalgamated FS Company under Applicable Law, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings shall be continued, prosecuted and enforced by or against the Amalgamated FS Company, as the case may be, after the Effective Date, in the same manner and to the same extent as it would have been continued, prosecuted and enforced by or against the Amalgamating FS Company, as if this Scheme had not been made.

- 36.2 The Amalgamated FS Company undertakes to have all legal or other proceedings initiated by or against the Amalgamating FS Company referred to in this Clause 36 transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Amalgamated FS Company to the exclusion of the Amalgamating FS Company. The Amalgamated FS Company shall make relevant applications in this connection.

### 37. CONTRACTS, DEEDS, ETC.

- 37.1 Upon coming into effect of this Scheme and subject to the other provisions of this Scheme, all contracts, deeds, bonds, schemes, insurance, letters of intent, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature to which the Amalgamating FS Company is a party or to the benefit of which the Amalgamating FS Company is eligible and which is subsisting or having effect on the Effective Date, shall without any further act or deed, continue in full force and effect against or in favour of the Amalgamated FS Company and may be enforced by or against the Amalgamated FS Company as fully and effectually as if, instead of the Amalgamating FS Company, the Amalgamated FS Company had been a party thereto. It shall not be necessary to obtain the consent of any third party or other person who is a party to any such contracts, deeds, bonds, agreements, schemes, arrangements and other instruments to give effect to the provisions of this Clause 37 of the Scheme.

- 37.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Amalgamating FS Company occurs by virtue of this Scheme itself, the Amalgamated FS Company may, at any time after the coming into effect of the Scheme, in accordance with its provisions, if so required under any





Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), instruments, confirmations or other writings or arrangements with any party to any contract or arrangement to which the Amalgamating FS Company is a party, or any writings as may be necessary, in order to give formal effect to the provisions of this Scheme. The Amalgamated FS Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Amalgamating FS Company and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating FS Company to be carried out or performed.

### **38. PERMITS, CONSENTS AND LICENSES**

- 38.1** All the licenses, permits, permissions, consents, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, allotments, insurance cover, clearances, authorities, privileges, affiliations, easements, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted, conferred upon, held or availed of by and all rights and benefits that have accrued to the Amalgamating FS Company, and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents received by the Amalgamating FS Company, shall, pursuant to the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed, be transferred to and vest in or be deemed to have been transferred to and vested in and be available to the Amalgamated FS Company so as to become as and from the Appointed Date, the estates, assets, licenses, permits, privileges, title, interests and authorities of the Amalgamated FS Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in Applicable Law and the concerned licensors and grantors of such approvals, clearances, permissions, etc., shall endorse, where necessary, and record, in accordance with Applicable Law, the Amalgamated FS Company on such approvals, clearances, permissions etc. so as to acknowledge and record the transfer and vesting of the Amalgamated FS Undertaking in the Amalgamated FS Company and continuation of operations of the Amalgamating FS Company in the Amalgamated FS Company without hindrance and that such approvals, clearances and permissions etc. shall remain in full force and effect in favour of or against the Amalgamated FS Company, as the case may be, the Amalgamated FS 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 Amalgamated FS Company and may be enforced as fully and effectually as if, instead of the Amalgamating FS Company, the Amalgamated FS Company had been a party or recipient or beneficiary or obligee thereto.
- 38.2** 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, pre-qualifications, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Amalgamating FS Company including by any Appropriate Authority, including the benefits of any applications made for any of the foregoing, shall, subject to Applicable Law, stand transferred to the Amalgamated FS Company as if the same were originally given by, issued to or executed in favour of the Amalgamated FS Company, and the Amalgamated FS 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 Amalgamated FS Company. The Amalgamated FS Company and/or the Amalgamating FS Company shall make necessary applications / file relevant forms to any Appropriate Authority as may be necessary in this behalf.

**38.3** Upon this Scheme being effective, the past track record of the Amalgamating FS Company, including without limitation, the profitability, experience, credentials and market share, shall be deemed to be the track record of the Amalgamated FS Company for all commercial and regulatory purposes including for the purposes of eligibility, standing, evaluation and participation of the Amalgamated FS Company in all existing and future bids, tenders and contracts of all authorities, agencies and clients.

**38.4** From the Appointed Date and until the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status are transferred, vested, recorded, effected, and / or perfected, in the record of the Appropriate Authority, in favour of the Amalgamated FS Company, the Amalgamated FS Company is authorized to carry on business in the name and style of the Amalgamating FS Company, and under the relevant license and or permit and/or approval, as the case may be, and the Amalgamated FS Company shall keep a record and / or account of such transactions.

#### **39. VALIDITY OF EXISTING RESOLUTIONS**

**39.1** Upon the coming into effect of the Scheme, the resolutions, if any, of any of the Amalgamating FS Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Amalgamated FS Company, and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, such limits shall be added to the limits, if any, under like resolutions passed by the Amalgamated FS Company, and shall constitute the aggregate of the said limits in the Amalgamated FS Company.

#### **40. CANCELLATION OF SHARE CAPITAL**

**40.1** Notwithstanding anything contained under the Act, pursuant to the provisions of Sections 230 to 232 of the Act, the equity shares of the Amalgamating FS Company held by the Amalgamated FS Company and joint shareholders, shall stand cancelled and extinguished without any further act, instrument or deed immediately upon the Scheme coming into effect. It is clarified that no new shares shall be issued or payment made in cash or in kind, whatsoever, by the Amalgamated FS Company in lieu of such shares of the Amalgamating FS Company.

#### **41. ACCOUNTING TREATMENT IN THE BOOKS OF THE AMALGAMATED FS COMPANY**

The Amalgamated FS Company shall account for the amalgamation in its books of accounts in accordance with the 'pooling of interest method' laid down in Appendix C of Indian Accounting Standard - 103, Business Combinations and other accounting principles prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Act:





- (i) The Amalgamated FS Company shall record all the assets and liabilities of the Amalgamating FS Company vested in it pursuant to this Scheme, at their respective book values as appearing in the Consolidated Financial Statement of the Amalgamated FS Company. Inter-Company balances, loans and advances, if any, will stand cancelled.
- (ii) The Amalgamated FS Company shall record all reserves of the Amalgamating FS Company vested in it pursuant to this Scheme, in the same form and manner, at their respective book values as appearing in the Consolidated Financial Statement of the Amalgamated FS Company.
- (iii) The carrying amount of investments in the equity shares of the Amalgamating FS Company held by Amalgamated FS Company, shall stand cancelled and there shall be no further obligation in that behalf.
- (iv) Comparative financial information in the financial statements of the Amalgamated FS Company shall be restated for the accounting impact of merger, as stated above, as if the merger had occurred from the beginning of the comparative period.
- (v) The difference, if any, between the assets, liabilities and reserves acquired in clause (i) and (ii) above and equity shares cancelled as stated in clause (iii) above shall be transferred to capital reserve.

#### **42. CONDUCT OF BUSINESS TILL EFFECTIVE DATE**

- 42.1** With effect from the Appointed Date and pursuant to the FS Amalgamation, up to and including the Effective Date, the Amalgamating FS Company shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all its estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions pertaining to the Amalgamated FS Undertaking for and on account of, and in trust for the Amalgamated FS Company.
- 42.2** All profits and income accruing or arising to the Amalgamating FS Company, and losses and expenditure arising or incurred (including taxes, if any, accruing or paid in relation to any profits or income) for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure (including taxes), as the case may be, of the Amalgamated FS Company.
- 42.3** Any of the rights, powers, authorities or privileges exercised by the Amalgamating FS Company for the period commencing from the Appointed Date shall be deemed to have been exercised for and on behalf of, and in trust for and as an agent of the Amalgamated FS Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Amalgamating FS Company, for the period commencing from the Appointed Date, shall be deemed to have been undertaken for and on behalf of and as an agent for the Amalgamated FS Company.





- 42.4 All Taxes (including but not limited to advance tax, self-assessment tax, regular tax, TDS, minimum alternate tax credits, dividend distribution tax, securities transaction tax, taxes withheld/ paid in a foreign country, value added tax, sales tax, service tax, goods and service tax, surcharge, cess, etc.) paid/ payable by or refunded/ refundable to the Amalgamating FS Company with effect from the Appointed Date, including all or any refunds or claims shall be treated as the tax liability or refunds/ claims, etc. as the case may be, of the Amalgamated FS Company, and any tax incentives, advantages, privileges, accumulated losses and allowance for unabsorbed depreciation as per Section 72A of the IT Act, losses brought forward and unabsorbed depreciation as per books of account, deductions otherwise admissible including payment admissible on actual payment or on deduction of appropriate taxes or on payment of TDS, such as under Sections 40, 40A, 43B, etc. of the IT Act, exemptions, credits, deductions / holidays, remissions, reductions, service tax input credits, GST input credits etc., as would have been available to the Amalgamating FS Company, shall pursuant to this Scheme becoming effective, be available to the Amalgamated FS Company, and, shall, in all proceedings, be dealt with accordingly.
- 42.5 Subject to the terms of the Scheme, the transfer and vesting of the Amalgamating FS Company as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded on or before the Appointed Date or after the Appointed Date till the Effective Date, to the end and intent that the Amalgamated FS Company accepts and adopts all acts, deeds and things made, done and executed by the Amalgamating FS Company as acts, deeds and things made, done and executed by or on behalf of the Amalgamated FS Company.

#### 43. DISSOLUTION OF AMALGAMATING FS COMPANY

- 43.1 On the Effective Date, the Amalgamating FS Company shall stand dissolved without being wound-up and without any further act or deed.

### PART F - GENERAL TERMS AND CONDITIONS

*The provisions of this Part F shall be applicable to the Demerger pursuant to Part C, the Pharma Amalgamations pursuant to Part D and the FS Amalgamation pursuant to Part E hereof.*

#### 44. AMENDMENT TO CONSTITUTIONAL DOCUMENTS

##### 44.1 Increase of Authorised Share Capital of PEL

- (i) As an integral part of this Scheme and upon this Scheme becoming effective, pursuant to the FS Amalgamation, the authorised share capital of PFPL shall be deemed to be added to the authorised share capital of PEL without any requirement of a further act or deed on the part of PEL (including payment of stamp duty and/or fees payable to the relevant Registrar of Companies).
- (ii) The amendments pursuant to this Clause 44.1 shall become operative on the Scheme becoming effective by virtue of the fact that the shareholders of PEL, while approving the Scheme as a whole, have approved and accorded the relevant consents as required under the Act for amendment of the





memorandum and articles of association of PEL and shall not be required to pass separate resolutions under Sections 13, 14 and 61 of the Act or any other applicable provisions of the Act.

**44.2** Increase of Authorised Share Capital of PPL

- (i) As an integral part of this Scheme and upon this Scheme becoming effective, the authorised share capital of PPL shall automatically stand increased, without any further act, instrument or deed on the part of PPL, such that upon the effectiveness of the scheme the authorised share capital shall be Rs. 3000,00,00,000 (Rupees Three Thousand Crores only) divided into such number and value of equity shares as described in the proposed Clause 5 below. Clause 5 of the memorandum of association of the Resulting Company shall be altered as set out below, upon coming into effect of the Scheme and without any further act or deed:

*"5. The authorized share capital of the Company is Rs. 3000,00,00,000/- (Rupees Three Thousand Crores only) divided into as follows:*

- a. Rs. 2629,00,00,000 divided into 262,90,00,000 Equity Shares having face value of Rs. 10/- each;*
- b. Rs. 350,00,00,000 divided into 35,00,00,000 Preference Shares having face value of Rs. 10/- each; and*
- c. Rs. 21,00,00,000 divided into 2,10,00,000 unclassified shares having face value of Rs. 10/- each."*

- (ii) The amendments pursuant to this Clause 44.2 shall become operative on the Scheme becoming effective by virtue of the fact that the shareholders of PPL, while approving the Scheme as a whole, have approved and accorded the relevant consents as required under the Act for amendment of the memorandum and articles of association of PPL and shall not be required to pass separate resolutions under Sections 13, 14 and 61 of the Act or any other applicable provisions of the Act.

**44.3** Change in the memorandum of association of PEL

- (i) With effect from the Appointed Date and upon the effectiveness of the Scheme, the memorandum of association of PEL (including the objects clause) shall stand altered and amended, without any further act or deed, for the purpose of PEL carrying on the business activities of the Amalgamating FS Company and / or as may be required by Appropriate Authorities for this purpose.
- (ii) The amendments pursuant to this Clause 44.3 shall become operative on the Scheme becoming effective by virtue of the fact that the shareholders of PEL, while approving the Scheme as a whole, have approved and accorded the relevant consents as required under the Act for amendment of the memorandum of association of PEL and shall not be required to pass separate resolutions under Section 13 of the Act or any other applicable provisions of the Act.



*A*



**44.4** Change in the memorandum of association of PPL

- (i) With effect from the Appointed Date and upon the effectiveness of the Scheme, the memorandum of association of PPL (including the objects clause) shall stand altered and amended, without any further act or deed, for the purpose of PPL carrying on the business activities of each of the Amalgamating Pharma Companies and / or as may be required by Appropriate Authorities for this purpose.
- (ii) The amendments pursuant to this Clause 44.4 shall become operative on the Scheme becoming effective by virtue of the fact that the shareholders of PPL, while approving the Scheme as a whole, have approved and accorded the relevant consents as required under the Act for amendment of the memorandum of association of PPL and shall not be required to pass separate resolutions under Section 13 of the Act or any other applicable provisions of the Act.

**44.5** Amendment of articles of association of PPL

- (i) The articles of association of PPL shall stand amended and restated to contain provisions applicable to a listed company and in such form as the Board of PPL may determine.
- (ii) The amendments pursuant to this Clause 44.5 shall become operative on the Scheme becoming effective by virtue of the fact that the shareholders of PPL, while approving the Scheme as a whole, have approved and accorded the relevant consents as required under the Act for amendment of the articles of association of PPL and shall not be required to pass separate resolutions under Section 14 or any other applicable provisions of the Act.

**45. CHANGE IN CAPITAL STRUCTURE**

**45.1** Without prejudice to the generality of this Scheme, during the period between the date of approval of the Scheme by the respective Boards and up to and including the date of allotment of shares pursuant to this Scheme, none of the Companies shall make any change in its capital structure, whether by way of increase (including by issue of equity shares on a rights basis, issue of bonus shares) or decrease, reduction, reclassification, sub-division or consolidation, re-organisation of share capital, or in any other manner which may, in any way, affect the issuance of shares under the Scheme, except under any of the following circumstances:

- (i) by mutual written consent of the respective Boards of PEL, PPL, HPPL, CCPL and PFPL; or
- (ii) as may be expressly permitted under this Scheme; or
- (iii) as may be required under any other scheme of arrangement entered into by any of the Companies, under Sections 230 to 232 of the Act.





- 45.2 In the event of any such change in share capital of the Companies before the Scheme comes into effect, the Share Entitlement Ratio shall be appropriately adjusted to take into account the effect of such issuance or corporate actions.

**46. APPLICATION TO NCLT**

- 46.1 The Companies shall, without undue delay, make all necessary applications to SEBI/ Stock Exchanges in connection with the Scheme and make applications and petitions to jurisdictional NCLT for sanctioning this Scheme under Sections 230 to 232 of the Act, including seeking such orders for convening and holding or alternatively, dispensing with requirements for convening and holding meetings of the shareholders and/ or creditors of the Companies as may be directed by the NCLT and obtain such other approvals, as required by Applicable Law.

- 46.2 The Companies shall be entitled, pending the effectiveness of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals, as agreed between the Companies, which the Companies may require to effect the transactions contemplated under the Scheme, in any case subject to the terms as may be mutually agreed between the Companies.

**47. MODIFICATION OR AMENDMENTS TO THE SCHEME**

- 47.1 The Companies (acting through their Board) may, in their full and absolute discretion, jointly and as mutually agreed in writing, modify, vary or withdraw this Scheme at any time prior to the Effective Date in any manner (including pursuant to any direction by any Appropriate Authority under Applicable Law), provided that any modification to or variation of the Scheme by the Companies, after receipt of sanction by the NCLT, shall be made only with the prior approval of the NCLT and/or or any other Appropriate Authorities as may be required under Applicable Law.

- 47.2 Each of the Companies agree that if, at any time, either of the NCLT or any Appropriate Authority directs or requires any modification or amendment of the Scheme, such modification or amendment shall not, to the extent it adversely affects the interests of any of the Companies, be binding on each of the Companies, as the case may be, except where the prior written consent of the affected party i.e. PEL, PPL, HPPL, CCPL or PFPL, as the case may be, has been obtained for such modification or amendment, which consent shall not be unreasonably withheld by PEL, PPL HPPL, CCPL or PFPL, as the case may be.

- 47.3 In case, post approval of the Scheme by the NCLT, there is any confusion in interpreting any Clause of this Scheme, or otherwise, the Boards of the Companies shall have complete power to mutually take the most sensible interpretation so as to render the Scheme operational.

- 47.4 If the Companies are desirous of making any material modification to the provisions of the Scheme after receipt of approval of SEBI to the Scheme, such modification shall be subject to approval of SEBI of such modification or any further modifications as may be required by SEBI.





47.5 PEL and PPL (through their respective Boards) shall determine jointly whether any asset, liability, employee, legal or other proceedings form part of the Demerged Undertaking or not, on the basis of any evidence that they may deem relevant for this purpose.

#### 48. DIVIDENDS

48.1 Each of the Companies shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date.

48.2 Prior to the effectiveness of the Scheme, the holders of the shares of each of the Companies shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective articles of association including the right to receive dividends.

48.3 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Companies 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 the Companies, and subject to the approval, if required, of the respective shareholders of such of the Companies.

#### 49. CONDITIONALITY OF THE SCHEME

49.1 Part C and Part D of this Scheme are and shall be conditional upon and subject to:

- (i) the sanction or approval of the Appropriate Authorities in respect of this Scheme being obtained in respect of any of the matters in respect of which such sanction or approval is required or on expiry of any statutory time period pursuant to which such approval is deemed to have been granted. It is clarified that the reference to Appropriate Authority in this clause for the purposes of Part C and Part D shall be deemed to exclude the RBI;
- (ii) the Scheme being approved by the requisite majority of members and/or creditors (where applicable) of (a) the Demerged Company and the Resulting Company for Part C; and (b) the Amalgamated Pharma Company and the Amalgamating Pharma Companies for Part D; in accordance with the Act, SEBI Scheme Circular and as may be directed by the NCLT. The Scheme is conditional upon the Scheme being approved by the public shareholders of PEL through e-voting in terms of Part – I (A)(10)(a) of SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020;
- (iii) the fulfilment, satisfaction or waiver (as the case may be) of any approvals from third parties mutually agreed by the Companies as being required for completion of the transactions contemplated under this Scheme;
- (iv) the Scheme being sanctioned by the NCLT in terms of Section 230 to Section 232 and other relevant provisions of the Act; and





- (v) the certified/authenticated copies of the Sanction Order(s) of the NCLT approving this Scheme being filed with the Registrar of Companies.

**49.2** Part E of this Scheme is and shall be conditional upon and subject to:

- (i) the sanction or approval of the Appropriate Authorities (including RBI) in respect of this Scheme being obtained in respect of any of the matters in respect of which such sanction or approval is required or on expiry of any statutory time period pursuant to which such approval is deemed to have been granted;
- (ii) the Scheme being approved by the requisite majority of members and/or creditors (where applicable) of the Amalgamated FS Company and the Amalgamating FS Company in accordance with the Act, SEBI Scheme Circular and as may be directed by the NCLT. The Scheme is conditional upon the Scheme being approved by the public shareholders of PEL through e-voting in terms of Part – I (A)(10)(a) of SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020;
- (iii) the fulfilment, satisfaction or waiver (as the case may be) of any approvals from third parties mutually agreed by the Companies as being required for completion of the transactions contemplated under this Scheme;
- (iv) the receipt of a certificate of registration / license by the Amalgamated FS Company, i.e. PEL, to operate as a non-banking financial company from the RBI;
- (v) the Scheme being sanctioned by the NCLT in terms of Section 230 to Section 232 and other relevant provisions of the Act; and
- (vi) the certified/authenticated copies of the Sanction Order of the NCLT approving this Scheme being filed with the Registrar of Companies.

**50. EFFECT OF NON-RECEIPT OF APPROVALS**

**50.1** In the event that the aforementioned conditions set out in Clause 49.2 above are not satisfied (or to the extent permissible under Applicable Law, waived) on or before the last day on which the all the conditions mentioned in Clause 49.1 are satisfied (or to the extent permissible under Applicable Law, waived), the Boards of the respective Companies shall, at their sole discretion, have the option to:

- (i) withdraw and cancel the entire Scheme and declare it terminated and of no effect; or
- (ii) revoke, cancel and sever Part E of the Scheme (and declare it terminated and of no effect) and give effect to only Part C and Part D of the Scheme; or
- (iii) give effect to only Part C and Part D of the Scheme on the last day on which all the conditions mentioned in Clause 49.1 are satisfied (or to the extent permissible under Applicable Law, waived) and separately give effect to Part E on the last day on which the all the conditions mentioned in Clause 49.2 are satisfied (or to the extent permissible under Applicable Law, waived).





50.2 Part C and Part D of the Scheme shall not come into effect unless the aforementioned conditions mentioned in Clause 49.1 above are satisfied (or to the extent permissible under Applicable Law, waived). Part E of the Scheme shall not come into effect unless the aforementioned conditions mentioned in Clause 49.2 above are satisfied (or to the extent permissible under Applicable Law, waived). In the event of any of the sanctions and approvals referred to in Clause 49 not being obtained (or to the extent permissible under Applicable Law, waived) and/ or the Scheme not being sanctioned by NCLT or such other competent authority and/ or the Sanction Order(s) not being passed by the NCLT as aforesaid on or prior to March 31, 2023 or such other date as may be agreed upon in writing between the Companies (through their respective Boards) ("**Long Stop Date**"), any of the Companies may opt to terminate this Scheme and the Scheme shall stand revoked, cancelled and be of no effect and any of the Companies, if required, may file appropriate proceedings before the NCLT in this respect.

50.3 Upon the termination of this Scheme or any of its Parts as set out in Clause 50.1 and Clause 50.2 above, no rights and liabilities shall accrue to or be incurred by respective Companies or their shareholders or creditors or employees or any other person. In such case, each Company shall bear its own costs and expenses or as may be otherwise mutually agreed.

50.4 Without prejudice to the generality of the aforesaid Clause, the Companies (jointly and not severally) shall be at liberty to withdraw this Scheme at any time as may be mutually agreed by the respective Boards of the Companies prior to the Effective Date.

## 51. REMOVAL OF DIFFICULTIES

51.1 The Companies through mutual consent and acting through their respective Boards, jointly and as mutually agreed in writing may:

- (i) give such directions (acting jointly) and agree to take steps, as may be necessary, desirable or proper, to resolve all doubts, difficulties or questions arising under this Scheme, whether by reason of any orders of NCLT or of any directive or orders of any Appropriate Authority, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and/ or matters concerning or connected therewith or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any manner whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those to the extent permissible under Applicable Law; and/or
- (ii) do all such acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.

## 52. RESIDUAL PROVISIONS

52.1 The Companies shall be entitled to file/ revise its respective income tax returns, TDS certificates, TDS returns, wealth tax returns and other statutory returns, if required, and shall have the right to claim refunds, advance tax credits, credit of tax deducted at source, dividend distribution tax credits, credit of foreign taxes paid/





withheld, excise, service tax credits, set off, sales tax, value added tax, etc., if any, as may be required consequent to implementation of this Scheme.

- 52.2** Upon this Scheme becoming effective, the accounts of the Companies, as on the Appointed Date shall be reconstructed in accordance with the terms of this Scheme.
- 52.3** The relevant Companies, shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under Applicable Law or otherwise, do all such acts or things as may be necessary to transfer/obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Demerged Company, Amalgamating Pharma Company 1, Amalgamating Pharma Company 2, Amalgamating FS Company or the Amalgamated Pharma Company / Amalgamated FS Company / Resulting Company. It is hereby clarified that if the consent or endorsement of any third party or Appropriate Authority, if any, is required to give effect to the provisions of this Clause 52.3, the said third party or Appropriate Authority shall make and duly record the necessary substitution / endorsement in the name of the Amalgamated Pharma Company / Amalgamated FS Company/ Resulting Company, pursuant to the sanction of this Scheme, and upon this Scheme becoming effective in accordance with the provisions of the Act and with the terms hereof. For this purpose, the Amalgamated Pharma Company / Amalgamated FS Company / the Resulting Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes.

### **53. SEVERABILITY**

- 53.1** Each Part of the Scheme is independent of other Parts and is severable. The Scheme shall be effective only upon passing of the Sanction 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 shall be 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 modification.
- 53.2** 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.

### **54. COSTS, CHARGES & EXPENSES**

Except as otherwise provided anywhere in this Scheme, PEL and PPL shall bear all costs, charges and expenses, in relation to or in connection with or incidental to this Scheme including, without limitation, stamp duty, registration charges and other transfer charges in relation to the Scheme and the matters contemplated herein in equal proportion.

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A handwritten signature in blue ink, appearing to be "Ajay", written over a horizontal line.



