

EXHIBIT - 2

SCHEME OF ARRANGEMENT

BETWEEN

RANBAXY LABORATORIES LIMITED - TRANSFEROR COMPANY

AND

SUN PHARMACEUTICAL INDUSTRIES LIMITED - TRANSFEREE COMPANY

**UNDER SECTIONS 391 TO 394, SECTIONS 78 AND 100 OF THE COMPANIES
ACT, 1956 AND SECTION 52 OF THE COMPANIES ACT, 2013**



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

1. PREAMBLE

1.1. Description of Companies

- (a) **The Transferor Company:** Ranbaxy Laboratories Limited is a listed company incorporated under the provisions of the Act and having its registered office at A-41, Industrial Area Phase VIII-A, SAS Nagar, Mohali, Punjab-160 061, India. The Transferor Company was originally constituted as a private limited company on June 16, 1961 under the name and style of Lepetit Ranbaxy Laboratories Private Limited as per the certificate of registration issued by the Registrar of Companies, Delhi. The Transferor Company became a deemed public limited company effective March 20, 1962 and then was converted into a public limited company effective August 24, 1966. The Transferor Company was again converted to a private limited company effective October 27, 1970 and subsequently converted on September 27, 1973 as a Public Limited Company under the Act under the name and style of Ranbaxy Laboratories Limited as per the certificate of registration issued by the Registrar of Companies, Delhi and Haryana. The registered office of the Transferor Company was changed from the State of Delhi to the State of Punjab on June 27, 1977. The Transferor Company was formed with the main objects of manufacturing and marketing of pharmaceutical products. The Transferor Company is an integrated international pharmaceutical organization with businesses encompassing the entire value chain in the marketing, production and distribution of dosage forms and active pharmaceutical ingredients. Further, the Transferor Company along with its subsidiaries is also engaged in the business of consumer healthcare products. The details of the authorised, issued, subscribed and paid-up share capital of the Transferor Company are set out in the Scheme. The equity shares of the Transferor Company are listed on the Stock Exchanges. The GDRs representing underlying equity shares of the Transferor Company are listed on the Luxembourg Stock Exchange. The NCDs issued by the Transferor Company are listed on the wholesale debt market of the National Stock Exchange of India Limited.
- (b) **The Transferee Company:** Sun Pharmaceutical Industries Limited is a listed company incorporated under the provisions of the Act and having its



registered office at SPARC, Tandalja, Vadodara – 390020, Gujarat, India. The Transferee Company was originally constituted as a public limited company on March 1, 1993, under the name and style of Sun Pharmaceutical Industries Limited under the Act as per the certificate of registration issued by the Registrar of Companies, Gujarat and was formed with the objective to carry on the business including that of development, manufacture, sale, trading and export of various generic drug formulations and the manufacture of drugs and pharmaceutical products. The details of the authorised, issued, subscribed and paid-up share capital of the Transferee Company are set out in the Scheme. The equity shares of the Transferee Company are listed on the Stock Exchanges.

1.2. Rationale for the Scheme

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

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

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



the shareholders, employees and other stakeholders of the Transferor Company and the Transferee Company.

- 1.4. In furtherance of the aforesaid, this Scheme (as defined hereunder) provides for:
- (a) the amalgamation of the Transferor Company with the Transferee Company;
 - (b) the consequent issue of shares and NCDs by the Transferee Company to the shareholders and holders of NCDs respectively and the treatment of GDRs of the Transferor Company; and
 - (c) various other matters consequential or otherwise integrally connected herewith;

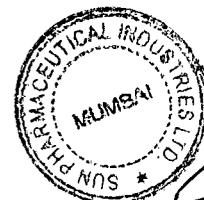
pursuant to Sections 391 to 394, Section 78 (including corresponding Section 52 and other relevant provisions of the Companies Act, 2013), Section 100 and other relevant provisions of the Act (as defined hereunder) in the manner provided for in this Scheme.

- 1.5. The amalgamation of the Transferor Company with the Transferee Company will combine the business, activities and operations of the Transferor Company and the Transferee Company into a single company with effect from the Appointed Date and shall be in compliance with the provisions of the Income Tax Act, 1961, including Section 2(1B) thereof or any amendments thereto.

1.6. Definitions

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

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



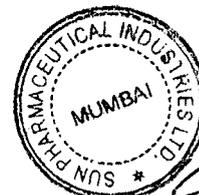
“effectiveness of this Scheme” or “Scheme taking effect” shall mean the Effective Date;

- (f) **‘ESOS I’** means the Employees Stock Option Scheme (I) of the Transferor Company pursuant to which eligible employees of the Transferor Company are entitled to be issued shares in the Transferor Company upon exercise of a stock option;
- (g) **‘ESOS II’** means the Employees Stock Option Scheme (II) of the Transferor Company pursuant to which eligible employees of the Transferor Company are entitled to be issued shares in the Transferor Company upon exercise of a stock option;
- (h) **‘ESOS 2005’** means the Employees Stock Option Scheme, 2005 of the Transferor Company pursuant to which eligible employees of the Transferor Company are entitled to be issued shares in the Transferor Company upon exercise of a stock option;
- (i) **‘ESOP 2011’** means the Ranbaxy Employee Stock Option Plan – 2011 of the Transferor Company pursuant to which shares in the Transferor Company are transferred to the eligible employees of the Transferor Company upon exercise of stock options;
- (j) **‘ESOP Schemes’** mean ESOS I, ESOS II, ESOS 2005 and ESOP 2011;
- (k) **‘GDRs’** means the global depository receipts issued by the Transferor Company pursuant to the “Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993” and other applicable law;
- (l) **‘Governmental Authority’** means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction;
- (m) **‘High Court’** means the Hon’ble High Court of Punjab and Haryana having jurisdiction in relation to the Transferor Company and the High Court of Gujarat having jurisdiction in relation to the Transferee Company, as the context may admit and shall, if applicable, include the National Company Law Tribunal, and “High Courts” shall mean both of them, as the context may require;
- (n) **‘NCDs’** means all the non-convertible debentures issued by the Transferor Company each of which are listed on the wholesale debt market segment of National Stock Exchange of India Limited;
- (o) **‘New Equity Shares’** means new equity shares of Transferee Company as referred to in Section 8;



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- (p) **'Record Date'** means the date fixed by the Board of Directors of the Transferor Company or any committee thereof in consultation with the Transferee Company, for the purpose of determining names of the equity shareholders of the Transferor Company, who shall be entitled to receive shares of the Transferee Company upon coming into effect of this Scheme;
- (q) **'Scheme' or 'Scheme of Arrangement'** means this Scheme of Arrangement in its present form or with any modifications, approved or imposed or directed by the Board of Directors of the Transferor and the Transferee Company or by the members or creditors and/or by the High Court(s) or any other relevant authority;
- (r) **'Stock Exchanges'** means National Stock Exchange of India Limited and the BSE Limited;
- (s) **'Transferor Company'** means Ranbaxy Laboratories Limited, a company registered under the Act and having its registered office at A-41, Industrial Area, Phase VIII-A, SAS Nagar, Mohali, Punjab-160061, India;
- (t) **'Transferor Option'** means a stock option granted under an ESOP Scheme;
- (u) **'Transferee Company'** means Sun Pharmaceutical Industries Limited, a company registered under the Act and having its registered office at SPARC, Tandalja, Vadodara – 390020, Gujarat, India;
- (v) **'Undertaking'** shall mean the entire business and the whole of the undertakings of the Transferor Company as a going concern, all its assets, rights, licenses and powers, and all its debts, outstandings, liabilities, duties, obligations and employees as on the Appointed Date including, but not limited to, the following:
- (i) All the assets and properties (whether moveable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent) of the Transferor Company, whether situated in India or abroad, including, but not limited to manufacturing facilities, laboratories, land (whether leasehold or freehold), processing plants, plant and machinery, computers, equipment, buildings and structures, offices, residential and other premises, diesel generator sets, stock-in-trade, packing material, raw materials, formulations, tablets, capsules, vials, ointments, active pharmaceutical ingredients and drugs intermediaries, capital work in progress, sundry debtors, furniture, fixtures, interiors, office equipment, vehicles, appliances, accessories, power lines, depots, deposits, all stocks, stocks of fuel, assets, investments of all kinds (including shares, scripts, subsidiaries, stocks, bonds, debenture stocks, units or pass through certificates) including shares or other securities held by the Transferor Company in its subsidiaries, cash balances or deposits with banks, cheques on hand, loans, advances, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys,



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

- (ii) All agreements, rights, contracts, entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quotas, rights, engagements, arrangements, authorities, allotments, security arrangements, benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Transferor Company business activities and operations.
- (iii) All intellectual property rights, engineering and process information, software licenses (whether proprietary or otherwise), drawings, records, files, books, papers, computer programmes, manuals, data, catalogues, sales and advertising material, lists of present and former customers and suppliers, customer credit



information, customer pricing information, other customer information and all other records and documents, whether in physical or electronic form, relating to the business activities and operations of the Transferor Company.

- (iv) Amounts claimed by the Transferor Company whether or not so recorded in the books of account of the Transferor Company from any Governmental Authority, under any law, act, scheme or rule, as refund of any tax, duty, cess or of any excess payment.
- (v) Rights to any claim not preferred or made by the Transferor Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, under any law, act, rule or scheme, and in respect of set-off, carry forward of unabsorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. whether under the Income Tax Act, 1961, the rules and regulations thereunder, or taxation laws of other countries, or any other or like benefits under the said acts or under and in accordance with any law or act, whether in India or anywhere outside India.
- (vi) All debts (secured and unsecured), liabilities including contingent liabilities, duties, leases of the Transferor Company and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized. Provided that if there exists any reference in the security documents or arrangements entered into by the Transferor Company under which the assets of the Transferor Company stand offered as a security for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to the Undertaking of the Transferor Company vested in the Transferee Company by the virtue of the Scheme. The Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company which shall vest in Transferee Company by virtue of the amalgamation. The Transferee Company shall not be obliged to create any further or additional security thereof after the amalgamation has become effective.
- (vii) All other obligations of whatsoever kind, including liabilities of the Transferor Company with regard to their employees, or the employees of any of their subsidiaries, with respect to the payment of gratuity, pension benefits and the provident fund or other compensation or benefits, if any, whether in the event of resignation, death, voluntary retirement or retrenchment or otherwise;
- (viii) All permanent and temporary employees engaged by the Transferor Company at various locations.

All terms and words not defined in this Scheme shall, unless repugnant or contrary



to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956 and other applicable laws, rules, regulations, by-laws as the case may be or any statutory modifications or re-enactment thereof from time to time.

2. SHARE CAPITAL

2.1. Transferor Company

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

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

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

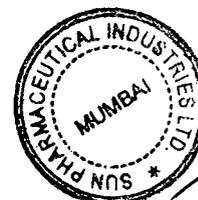
* The Transferor Company intends to allot 26,747 equity shares on April 14, 2014 to employees of the Transferor Company who have exercised their vested options under ESOP II and ESOP 2005.

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

2.2. Transferee Company

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

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



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

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

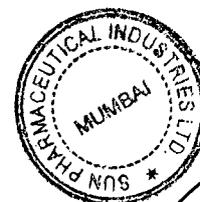
3. TRANSFER AND VESTING OF UNDERTAKING

Generally

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

Transfer of Assets

- 3.2. Without prejudice to the generality of Section 3.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:
- (i) All assets and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company, and all assets and properties which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 391 to 394 of the Act.
 - (ii) In respect of such assets owned and belonging to the Undertaking of the Transferor Company as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company, and shall become the property of the Transferee Company in pursuance of the provisions of Section 394 and other applicable provisions of the Act.
 - (iii) In respect of movables other than those dealt with in Section 3.2 (ii) above including without any further act, instrument or deed of the Transferee

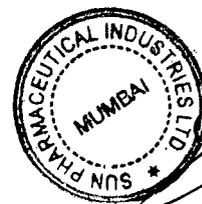


Company the sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company).

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

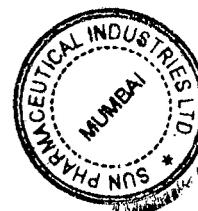
3.3. Without prejudice to the generality of Section 3.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:

- (i) All the liabilities including all secured and unsecured debts, whether in Indian rupees or foreign currency), sundry creditors, contingent liabilities, duties, obligations and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations (the "Liabilities") shall, without any further act, instrument or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company without any further act, instrument or deed, along with any charge, lien, encumbrance or security thereon, and the same shall be assumed to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company and further



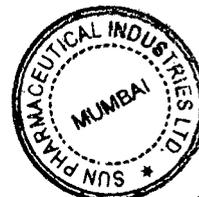
that it shall not be necessary to obtain consent of any third party or other person who is a party to the contract or arrangements by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Section. Further, all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Company on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme.

- (ii) Without prejudice to the foregoing provisions of this Section, upon the coming into effect of the Scheme, all debentures, bonds, notes or other debt securities and other instruments of like nature (whether convertible into equity shares or not), including the NCDs shall, pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Act, without any further act, instrument or deed, become the debt securities of the Transferee Company on the same terms and conditions except to the extent modified under the provisions of this Scheme and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in or be deemed to have been transferred to and vested in and shall be exercised by or against the Transferee Company as if it was the issuer of such debt securities, so transferred and vested. If the debt securities (including the NCDs) are listed on any stock exchange, the same shall, subject to applicable law and regulations, be listed and/or admitted to trading on the relevant stock exchanges in India where the debt securities were listed and/or admitted to trading, on the same terms and conditions, subject to the requirements, if any, imposed by the Stock Exchanges, unless otherwise modified in accordance with applicable law.
- (iii) Where any of the debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations of the Transferor Company as on the Appointed Date deemed to be transferred to the Transferee Company have been discharged by Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.
- (iv) All loans raised or used and all liabilities and obligations incurred by the Transferor Company for the operations of the Transferor Company after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Transferee Company in which the Undertaking shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Transferee Company and shall become the debts, liabilities, duties and obligations of the Transferee Company which shall meet discharge and satisfy the same.
- (v) The Transferor Company may, if required, give notice in such form as it



may deem fit and proper to each party, debtor or borrower as the case may be that pursuant to the High Courts sanctioning the Scheme, the said debt, loan, advance, etc. be paid or made good or held on account of the Transferee Company as the person entitled thereto.

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



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

4. **CONTRACTS, DEEDS AND OTHER INSTRUMENTS**

- 4.1. Upon the coming into effect of this Scheme and subject to all the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, assurances and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect by, for or against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and effectively as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto.
- 4.2. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite agreements or arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, under the provisions of the Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.
- 4.3. The Transferee Company shall be entitled to the benefit of all insurance policies which have been issued in respect of the Transferor Company and the name of the Transferee Company shall be substituted as "Insured" in the policies as if the Transferee Company was initially a party.

5. **LEGAL PROCEEDINGS**

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



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Section 5 (a) above transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.

6. OPERATIVE DATE OF THE SCHEME

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

7. STANDSTILL PROVISIONS TILL EFFECTIVE DATE

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

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

8. ISSUE OF CONSIDERATION BY THE TRANSFEREE COMPANY

- 8.1 Upon the effectiveness of the Scheme, in consideration of the transfer of and vesting of the Undertaking of the Transferor Company in the Transferee Company and in terms of the Scheme, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of the



Transferor Company (whose names are registered in the Register of Members of the Transferor Company on the Record Date, or his /her/its legal heirs, executors or administrators or, as the case may be, successors), equity shares of face value Re. 1/- (Rupees One) each credited as fully paid up of the Transferee Company in the ratio of 0.80 equity shares of the face value of Re. 1/- (Rupees One) each of the Transferee Company for every 1.00 equity share of Rs. 5/- (Rupees Five) credited as fully paid-up held on the Record Date by such equity shareholders or their respective legal heirs, executors or administrators or, as the case may be, successors in the Transferor Company (the "New Equity Shares").

- 8.2 Where New Equity Shares are to be allotted to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of the Transferor Company, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of the Transferee Company.
- 8.3 The ratio in which equity shares of the Transferee Company are to be issued and allotted to the shareholders of the Transferor Company is herein referred to as the "**Share Exchange Ratio**". In the event of any increase in the issued, subscribed or paid up share capital of the Transferee Company or issuance of any instruments convertible into equity shares or restructuring of its equity share capital including by way of share split/consolidation/issue of bonus shares, free distribution of shares or instruments convertible into equity shares or other similar action in relation to the share capital of the Transferee Company at any time before the Record Date, the Share Exchange Ratio shall be adjusted appropriately to take into account the effect of such issuance or corporate actions and assuming conversion of any such issued instruments convertible into equity shares.
- 8.4 New Equity Shares issued in terms of the Scheme shall, in compliance with the applicable regulations, be listed and/or admitted to trading on the relevant stock exchange(s) in India where the equity shares of Transferee Company are listed and admitted to trading. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of such stock exchanges. The New Equity Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are provided by the relevant stock exchanges.
- 8.5 In so far as the equity shares of the Transferor Company held by the Transferee Company or its subsidiaries or its limited liability partnerships are concerned, if any, on the Effective Date such shares shall stand cancelled and to that extent the Transferee Company is required to issue less number of shares.
- 8.6 Upon the New Equity Shares being issued and allotted to the shareholders of Transferor Company, the shares held by the said members of Transferor Company, whether in the physical form or in the dematerialized form, shall be deemed to have been automatically cancelled and be of no effect, without any further act, deed or instrument.



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- 8.7 In so far as New Equity Shares are concerned, the same will be distributed in dematerialized form to the equity shareholders of Transferor Company, provided all details relating to the account with the depository participant are available to Transferee Company. All those equity shareholders who hold equity shares of Transferor Company and do not provide their details relating to the account with the depository participant will be distributed New Equity Shares in the physical/certificate form unless otherwise communicated in writing by the shareholders on or before such date as may be determined by the board of Transferee Company or committee thereof.
- 8.8 Upon the coming into effect of the Scheme, the New Equity Shares of Transferee Company to be issued and allotted to the members of the Transferor Company as provided in the Scheme shall be subject to the provisions of the memorandum of association and articles of association of the Transferee Company and shall rank *pari passu* from the date of allotment in all respects with the existing equity shares of Transferee Company including entitlement in respect of dividends. The issue and allotment of New Equity Shares by the Transferee Company to the members of the Transferor Company as provided in this Scheme is an integral part hereof and shall be deemed to have been carried out pursuant to the Act.
- 8.9 No fractional certificates, entitlements or credits shall be issued or given by the Transferee Company in respect of the fractional entitlements, if any, to which the shareholders of the Transferor Company are entitled on the issue and allotment of equity shares by the Transferee Company in accordance with this Scheme. If any members of the Transferor Company have a shareholding such that such members become entitled to a fraction of a New Equity Share, the Board of Directors of the Transferee Company shall consolidate all such fractional entitlements to which the shareholders of the Transferor Company may be entitled on issue and allotment of the equity shares of the Transferee Company as aforesaid and shall, without any further application, act, instrument or deed, issue and allot such fractional entitlements directly to a nominee to be appointed by the board of directors of the Transferee Company, who shall hold such fractional entitlements with all additions or accretions thereto in trust for the benefit of the respective shareholders to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such fractional entitlements in the market at such price or prices and at such time or times as the nominee may in its sole discretion decide and on such sale pay to the Transferee Company the net sale proceeds thereof and any additions and accretions, whereupon the Transferee Company shall, subject to withholding tax and expenses, if any, distribute such sale proceeds to the concerned shareholders of the Transferor Company in proportion to their respective fractional entitlements.
- 8.10 Subject to receipt of such approvals, consents and sanctions as may be necessary under applicable law, in so far as it pertains to outstanding GDRs, if any:
- (a) The Board of Directors of the Transferee Company may elect, in its sole discretion to:



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

8.11 ESOPs:

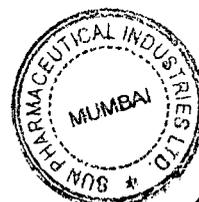
- (a) Upon the effectiveness of the Scheme, the Transferee Company shall issue stock options ("**Transferee Options**") to employees of the Transferor Company holding Transferor Options ("**Eligible Employees**") which shall entitle the Eligible Employees to purchase equity shares of the Transferee Company. The number of Transferee Options issued shall equal the product of the number of Transferor Options (whether vested or unvested) outstanding at the time of the effectiveness of the Scheme multiplied by the Share Exchange Ratio, with any fractional shares rounded down to the next higher whole number of shares (i.e. for every Transferor Option held by an Eligible Employee which entitles such eligible employee to acquire 1.00 equity share in the Transferor Company, such Eligible Employee will be conferred a Transferee Option to acquire 0.80 equity shares in the Transferee). The terms and conditions applicable to the Transferee Options



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shall be no less favourable than those provided under the ESOP Schemes. Such Transferee Options will be issued under a new employee stock option scheme created by the Transferee Company inter alia for the purpose of granting stock options to the Eligible Employees pursuant to the Scheme ("Transferee ESOP Scheme").

- (b) Each Transferee Option shall have an exercise price per equity share of the Transferee Company equal to the quotient of the Transferor Option exercise price per equity share of the Transferor Company divided by the Share Exchange Ratio (rounded up to the nearest higher whole cent).
- (c) Prior to the Scheme becoming effective, the ESOP Schemes shall be amended to provide for immediate and full accelerated vesting of all Transferor Options held by an employee if such employee's employment is terminated by the Transferee Company within 12 (twelve) months following effectiveness of the Scheme. The Transferee ESOP Scheme shall make appropriate equivalent provisions for such accelerated vesting of the Transferee Options granted by it to the Eligible Employees pursuant to this Scheme. Any stock option that becomes vested in accordance with the preceding sentence shall remain exercisable for no less than three months following such termination of employment.
- (d) The grant of stock options to the Eligible Employees pursuant to the provisions of this Scheme, including this Section 8, shall be effected as an integral part of the Scheme and the consent of the shareholders of the Transferor Company and the Transferee Company to the Scheme shall be deemed to be their consent in relation to all matters pertaining to the ESOP Schemes and the Transferee ESOP Schemes, including without limitation, for the purposes of creating the Transferee ESOP Schemes, modifying the ESOP Schemes and/ or the Transferee ESOP Scheme, modifying the exercise price of the stock options under the ESOP Schemes and all related matters. No further approval of the shareholders of the Transferor Company or the Transferee Company would be required in this connection under any applicable law.
- (e) In relation to the Transferee Options granted by the Transferee Company to the Eligible Employees pursuant to this Scheme, in lieu of the Transferor Options granted to them under the ESOP Schemes, the period during which the Transferor Options were held by or deemed to have been held by the Eligible Employees shall be taken into account for determining the minimum vesting period required under applicable law, the ESOP Schemes and the Transferee ESOP Schemes.
- (f) Subject to applicable laws, the adjustments to the exercise price per option and option entitlement of the Eligible Employees proposed under this Section shall be appropriately reflected in the accounts of the Transferee Company.
- (g) The Boards of Directors of the Transferor Company and the Transferee Company shall take such actions and execute such further documents as



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may be necessary or desirable for the purpose of giving effect to the provisions of this Section 8.11 of the Scheme.

- 8.12 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of Directors of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Transferor Company, after the effectiveness of this Scheme. The New Equity Shares to be issued by the Transferee Company pursuant to this Scheme in respect of any equity shares of the Transferor Company which are held in abeyance under the provisions of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Transferee Company.
- 8.13 The New Equity Shares (and, if applicable, global depository receipts) of the Transferee Company issued pursuant to this Scheme, including and where applicable, without limitation, the equity shares relating to the GDRs shall not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") in reliance upon the exemption under Section 3(a)(10) of the Securities Act. The sanction of the High Courts to this Scheme will be relied upon for the purpose of qualifying the issuance and distribution of the equity shares of the Transferee Company issued pursuant to this Scheme, including and where applicable, without limitation, the equity shares relating to the GDRs (and, if applicable, global depository receipts) for such an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof.

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

- 9.1 An amount equal to the balance lying to the debit in statement of profit and loss in the books of the Transferor Company on the close of 31st day of March, 2014, shall be, in the books of the Transferor Company, adjusted/reduced as follows in accordance with provisions of sections 391 to 394, sections 78 and 100 to 103 of the Companies Act, 1956 and section 52 of the Companies Act, 2013 and any other applicable provisions of law:
- a. Firstly, against reduction of Capital Reserve Account of the Transferor Company amounting to INR 176.20 crores. (Rupees one hundred seventy six crores and twenty lacs only);
 - b. Secondly, against reduction of Securities Premium Account of the Transferor Company amounting to INR 3501.48 crores. (Rupees three thousand five hundred one crore and forty eight lacs only);
 - c. Thirdly, against reduction of the General Reserve of the Transferor Company amounting to INR 551.92 (Rupees five hundred and fifty one crores and ninety two lacs only), to the extent available or required;



- d. The balance, if any, remaining in the debit in statement of profit and loss in the books of the Transferor Company shall be carried in the books of the Transferor Company as on 31st March, 2014.
- 9.2 For giving effect to the above provisions, the permission from the Equity Shareholders of the Transferor Company shall be deemed to have been received as contemplated by the Act and other related provisions on this Scheme being approved by members of the Transferor Company at the court convened meeting or otherwise.
- 9.3 The reduction in the Securities Premium Account and / or Capital Reserve Account and / or General Reserve as aforesaid, if any, of the Transferor Company shall be effected as an integral part of the Scheme itself as the same does not involve either diminution of liability in respect of unpaid Share Capital or payment to any shareholder of any unpaid Share Capital and the order of the Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act (including corresponding applicable provisions of the Companies Act, 2013) confirming the reduction of Securities Premium and / or Capital Reserve Account and / or General Reserve. Such a reduction shall be deemed to be effective on and from the close of 31st March, 2014. The Transferor Company nor the Transferee Company shall not be required to add "and reduced" as a suffix.

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

- 10.1 Recognising that the amalgamation is to be considered as an "amalgamation in the nature of merger" in accordance with the provisions of paragraph 29 of Accounting Standard 14 - "Accounting for Amalgamations" (AS-14) as notified under the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs), the accounting treatment in respect of assets, liabilities and reserves and surplus of the Transferor Company in the books of the Transferee Company shall be governed by, the provisions of AS-14, "the Pooling of Interests Method". Accordingly, all the assets and liabilities of the Transferor Company shall be recorded at their existing carrying amounts and in the same form as at the Appointed Date in the books of the Transferee Company.
- 10.2 As on the Appointed Date, the reserves, surplus and balance in the statement of profit and loss of the Transferor Company (after the immediately preceding adjustment/ reduction of the debit balance of profit and loss account as per clause 9 above), if any, will be aggregated with the respective reserves, surplus and balance in the statement of profit and loss of the Transferee Company in the same form as they appeared in the financial statements of the Transferor Company.
- 10.3 An amount equal to the balance lying to the credit / debit of the Statement of Profit and Loss in the books of the Transferor Company (after the immediately preceding adjustment/ reduction of the debit balance of profit and loss account as per clause 9 above), if any, shall be credited / debited by the Transferee Company to the balance of its statement of profit and loss and shall constitute (or reduce, as the case may




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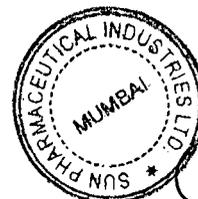
be) the Transferee Company's free reserves.

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

11. DIVIDEND

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

- (a) except as expressly contemplated or permitted by any provision of the transaction agreement, as required by applicable law or with the prior written consent of the Transferee Company (which consent shall not be unreasonably withheld, conditioned or delayed), the Transferor Company shall not declare/or pay dividends or other distribution payable in cash, stock, property or otherwise, with respect to any of its capital stock,
- (b) The Transferor Company, except as mentioned otherwise in this Scheme or pursuant to the ESOP Schemes, shall not issue or allot any shares, right shares, or bonus shares or any other security converting into equity or other share capital or obtain any other financial assistance converting into equity or other share capital, unless agreed to by the Board of Directors of the Transferee Company.
- (c) except as expressly contemplated or permitted by any provision of the transaction agreement, as required by applicable law or with the prior written consent of the Transferor Company (which consent shall not be unreasonably withheld, conditioned or delayed), the Transferee Company shall not declare/or pay dividends or other distributions payable in cash, stock, property or otherwise, with respect to any of its capital stock, except for dividends which are paid on dates and in amounts consistent with past



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practice and not exceeding 30% of the previous year's consolidated net profit on the equity shares of the Transferee paid in cash.

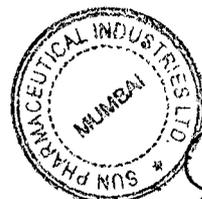
- (d) Until the coming into effect of this Scheme, the holders of equity shares of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing respective rights under their respective Articles of Association. It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Transferor Company and the Transferee Company and subject, wherever necessary, to the approval of the shareholders of the Transferor Company and the Transferee Company, respectively.

12. BRANDS AND TRADEMARK

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

13. TRANSFEROR COMPANY EMPLOYEES

- (a) Upon the Scheme coming into effect and with effect from the Appointed Date, all permanent employees (including deputed employees) of the Transferor Company, shall become employees of the Transferee Company on such date as if they were in continuous service without any break or interruption in service, and on terms and conditions as to employment and remuneration not less favourable than those on which they are engaged or employed by the Transferor Company, so as to become as and from the Appointed Date, the employees of the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement/ settlement, if any, validly entered into by the Transferor Company with any union/employee of the Transferor Company recognized by the Transferor Company.
- (b) Without prejudice to the provisions of this Scheme and the rights and obligations of the Transferee Company under applicable law, for a period of 12 months after the Scheme comes into effect, (the "**Relevant Period**"), the Transferee Company shall provide (or cause its subsidiaries to provide) each such employee of the Transferor Company whose employment was transferred to the Transferee Company pursuant to this Scheme (each, a "**Transferred Employee**") with compensation and benefits that are



substantially comparable in the aggregate economically to the compensation and benefits provided to such Transferred Employee immediately prior to the Scheme coming into effect; *provided, however*, that during the Relevant Period there shall be no decrease in a Transferred Employee's base salary or base wage rate in effect immediately prior to the Scheme coming into effect. To the extent that: (i) the applicable law of any jurisdiction; (ii) any collective bargaining agreement, works council agreement or similar agreement; or (iii) any employment agreement would require the Transferee Company to provide any more favorable terms of employment to any Transferred Employee than those provided in the preceding sentence, the Transferee Company shall provide (or cause its subsidiaries to provide) such more favorable term, and otherwise provide terms of employment in accordance with the preceding sentence.

- (c) It is provided that so far as the provident fund, gratuity fund, or any other special scheme(s)/ fund(s), or other benefits if any, created or existing for the benefit of the existing or past employees of the Transferor Company are concerned, upon the coming into effect of this Scheme, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever related to the administration or operation of such schemes, funds or benefits or in relation to the obligation to make contributions to the said schemes, funds or in respect of such benefits in accordance with provisions of such schemes, funds or benefits as per the terms provided in the respective trust deeds or employee benefit plans or policies, to the end and intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such schemes, funds or benefits shall become those of the Transferee Company. Without prejudice to the generality of the foregoing, any such funds and the investments made out of such funds shall, at an appropriate stage, be transferred to the Transferee Company to be held for the benefit of the concerned employees. Such funds shall, subject to the necessary approvals and permission and at the discretion of the Transferee Company, either be continued as separate funds of the Transferee Company for the benefit of the employees of the Transferor Company or be transferred to and merged with other similar funds of the Transferee Company. In the event that the Transferee Company does not have its own fund with respect to any such funds of the Transferor Company, the Transferee Company may, subject to necessary approvals and permissions, continue to maintain the existing funds separately and contribute thereto, until such time as the Transferee Company creates its own funds at which time the funds and the investments and contributions pertaining to the employees of the Transferor Company shall be transferred to such funds of the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of the aforesaid schemes, funds, benefit plans or policies. The Transferor Company and the Transferee Company shall undertake all the necessary steps and / or formalities as may be required to be carried out be done by the for transfer of such fund / assets / value, etc. to the Transferee Company in this regard.

14. DISSOLUTION OF THE TRANSFEROR COMPANY AND VALIDITY OF



RESOLUTIONS

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

15.1 **Increase of authorised share capital**

- (a) As an integral part of Scheme, and, upon coming into effect of the Scheme, the authorized share capital of the Transferor Company, as on the Effective Date, shall be added to the authorized share capital of the Transferee Company, as on the Effective Date, without any further act or deed and without any further payment of the stamp duty or the registration fees and Clause V of the memorandum of association of the Transferee Company and Article 4 of the articles of association of the Transferee Company shall be altered accordingly.
- (b) Clause V of the memorandum of association of the Transferee Company shall, without any further act or deed, be substituted by the following clause:

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



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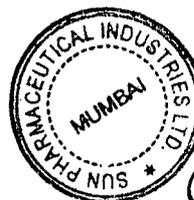
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- (c) Article 4 of the articles of association of the Transferee Company shall, without any further act or deed, be substituted by the following article:
4. *The Authorized Share Capital of the Company is Rs. 6,000,000,000 (Rupees Six Billion Only)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

15.2 Director Nomination, Management Indemnification

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

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



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

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

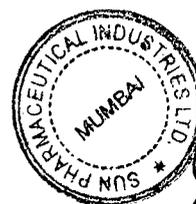
From the Effective Date and for so long as DSC and its controlled affiliates continue to beneficially own an aggregate of at least 5% (the “Minimum Percentage”) of the outstanding equity shares of the Company, at each election of directors at which the term of the DSC nominated director will expire (or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

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

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

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

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



beneficiaries than the corresponding provisions in existence in the memorandum of association and articles of association of the Transferor Company as of the date of this Agreement;

- (e) the Transferee Company shall obtain such directors' and officers' liability coverage of the Transferee Company's existing directors' and officers' insurance policies as is mutually agreed between the Transferee Company and Transferor Company.

16. APPLICATION TO THE HIGH COURT

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

17. MODIFICATIONS, AMENDMENTS TO THE SCHEME

- 17.1 If at any time the High Court or any regulatory authority, including the stock exchanges or SEBI, suggests or requires material modifications or amendments to the Scheme, such modifications or amendments shall not be binding on the Transferor Company and the Transferee Company except with their prior consent (which consent shall not be unreasonably withheld by any party); provided, however, that where any modification or amendment relates to severance or non-approval of any part of the Scheme, which part is capable of otherwise being lawfully performed in accordance with the agreement between the Transferor Company and Transferee Company, the Transferor Company and Transferee Company shall perform such part accordingly.
- 17.2 Subject to the foregoing, the Transferor Company (by any of their respective Directors) and the Transferee Company (by any of its Directors):
 - (i) may in its full and absolute discretion assent from time to time on behalf of all persons concerned to any modifications or amendments or addition to this Scheme or to any conditions or limitations which the High Court(s) or any authorities under the Law may deem fit to approve of or impose and / or to resolve any doubt or difficulties that may arise for carrying out this Scheme and to do and execute all such acts, deeds, matters and things as may be necessary, desirable or proper for carrying the Scheme into effect.
 - (ii) are authorised to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for



bringing this Scheme into effect, and/or give such consents as may be required in terms of this Scheme;

- (iii) for the purpose of giving effect to this Scheme or to any modifications or amendments thereof, may give and are authorised to give all such directions that are necessary or are desirable including directions for settling any doubts or difficulties that may arise.
- (iv) mutually agree to modify any of the terms of this Scheme in future to settle any of the difficulties or to implement the provisions of this Scheme smoothly and hassle free manner, if such need arises and for all purposes the Effective Date for such subsequent modified scheme shall be the same as specified in this Scheme.

18. SCHEME CONDITIONAL UPON APPROVALS/ SANCTIONS

This Scheme is conditional upon and subject to:

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



Scheme being filed with the respective Registrar of Companies having jurisdiction;

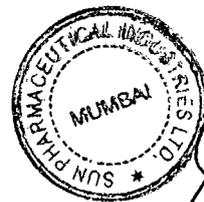
- (d) Certificates signed by senior officers of the Transferor Company and the Transferee Company being exchanged between the Transferor Company and the Transferee Company which shall, inter alia, confirm all other conditions precedent to the transaction agreement (as entered into between the Transferor Company and the Transferee Company) have been fulfilled or otherwise waived in accordance with its terms.

19. TAXES / DUTIES / CESS ETC.

- (a) The Transferee Company will be successor of the Transferor Company. The unutilized credits relating to excise duties paid on inputs lying to the account of Transferor Company as well as the unutilized credits relating to Service Tax paid on input services consumed by the Transferor Company shall be transferred to the Transferee Company automatically without any specific approval or permission as an integral part of the Scheme.
- (b) Income taxes of whatsoever nature including advance tax, self-assessment tax, regular assessment taxes, tax deducted at source, Alternative Minimum Tax, Minimum Alternative Tax, wealth tax, if any, paid by the respective Transferor Company shall be treated as paid by the Transferee Company and it shall be entitled to claim the credit, refund, adjustment for the same as may be applicable. MAT credit available with the Transferor Company under Income Tax Act, 1961, if any, shall be available to the Transferee Company.
- (c) If any of the Transferor Company is entitled to any benefits under incentive schemes and policies, it is declared that the benefits under all such incentive schemes and policies shall be transferred to and vested in the Transferee Company. The Transferee Company shall be entitled to deduction of book losses or depreciation, whichever is lower, (if any) for the purpose of calculation of MAT for the Transferee Company.
- (d) Upon this Scheme being effective, the Transferee Company is expressly permitted to revise and file its income tax returns and other statutory returns, including tax deducted / collected at source returns, service tax returns, excise tax returns, sales tax / VAT returns, as may be applicable and has expressly reserved the right to make such provision in its returns and to claim refunds or credits etc. if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired.

20. EFFECT OF NON-RECEIPT OF APPROVAL/SANCTION

In the event any of the conditions, sanctions and/or approvals referred to in the preceding Section 19 above have not been satisfied or obtained, as the case may be, and/or the Scheme has not been sanctioned by the High Court(s) and/or the Order(s) has not been passed as aforesaid on or before July 6, 2015, or such other



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date as mutually agreed by the Transferee Company and the Transferor Company ("Long Stop Date"), either the Transferor Company or the Transferee Company may opt to terminate this Scheme. If the Transferor Company and the Transferee Company jointly opt to withdraw\terminate this Scheme, this Scheme shall stand revoked, cancelled and be of no effect, and in that event no rights and liabilities whatsoever shall accrue to or be incurred or claimed *inter se* by the parties or their shareholders or creditors or employees or any other person. Provided however, that the right to terminate this Scheme shall not be available: (i) to the Transferor Company, if the Transferor Company's failure to fulfil any obligation mutually agreed with the Transferee Company shall have been the cause of, or shall have resulted in, the failure of the Effective Date to occur on or prior to the Long Stop Date; and (ii) to the Transferee Company, if the Transferee Company's failure to fulfil any obligation mutually agreed with the Transferor Company shall have been the cause of, or shall have resulted in, the failure of the Effective Date to occur on or prior to the Long Stop Date.

21. SEVERABILITY

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

22. EXPENSES CONNECTED WITH THE SCHEME

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



EXHIBIT - 3

Dated: 6 April 2014

The Audit Committee

Sun Pharmaceuticals Industries Limited
Acme Plaza, Andheri Kurla Road,
Andheri (East), Mumbai - 400 059
Maharashtra

Sub: Recommendation of fair exchange ratio for the proposed merger of Ranbaxy Laboratories Limited into Sun Pharmaceuticals Industries Limited

Dear Sir / Madam,

We refer to the engagement letter dated 3 April 2014 wherein Sun Pharmaceuticals Industries Limited ('SPIL' or the 'Company') have requested S.R. Batliboi & Co. LLP (hereinafter referred to as 'SRBC', 'we' or 'us') to recommend an exchange ratio for the proposed merger of Ranbaxy Laboratories Limited ('RLL') into SPIL, based on the discussions that we have had with and information that we have received from the representatives and management of RIL and SPIL ('Management') from time to time in the above matter.

RLL and SPIL are together hereinafter referred to as the 'Companies'.

SCOPE AND PURPOSE OF THIS REPORT

SPIL is a pharmaceutical company incorporated in the year 1993. The company manufactures and markets branded and branded generic products and formulations in India, the United States (US) and several other markets across the world. SPIL has its registered office at Sun Pharma Advanced Research Centre, Tandalja, Vadodara, Gujarat - 390020. SPIL is listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

RLL is a pharmaceutical company incorporated in the year 1961. The company manufactures and markets generic, branded generic, value-added and over-the-counter products, active pharmaceutical ingredients (APIs) and intermediates in India, the US, Europe, Russia, South Africa and other countries. RLL has its registered office at A-41 Industrial Area Phase VIII A, Sahibzada Ajit Singh Nagar, Mohali, Punjab - 160071. RLL is listed on NSE and BSE.

We understand that the Management of Companies are contemplating merger of RLL into SPIL ('Transaction') under a Scheme of Arrangement under the provisions of Section 391-394 of the Companies Act, 1956 ('Scheme of Amalgamation'). As consideration for this Transaction, equity shareholders of RLL would be issued equity shares of SPIL as consideration for the merger.

We understand that the appointed date for the merger will be 31 March 2014 or such other date as approved by Courts.

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For the aforesaid purpose, SPIL have appointed SRBC to prepare a report on the fair exchange ratio for distribution of SPIL's equity shares to the equity shareholders of RLL, to be placed before the Audit Committee of the Company.

The scope of our services is to conduct a relative (and not absolute) valuation of the equity shares of the Companies and report on a fair exchange ratio for the Transaction in accordance with generally accepted professional standards.

We have been provided with financial information for RLL and SPIL upto 31 December 2013. We have considered the same in our analysis and made adjustments for further facts made known (past or future) to us till the date of our report. The Management of SPIL and RLL have informed us that they do not have any information which is not in public domain and which is likely to result in any events which are unusual or not in normal course of business in the future. The current valuation does not factor impact of any event which is unusual or not in normal course of business and not known to the market. Further the Management has informed us that all material information impacting the Companies have been disclosed in press releases/to us and as per their best understanding the analyst reports capture all such information appropriately.

The Management have informed us that:

- (a) there would not be any capital variation in the Companies till the Transaction becomes effective without approval of the shareholders other than on account of existing ESOP Scheme which would not be material
- (b) neither Companies would declare any dividend which are materially different than those declared in the past few years

We have relied on the above while arriving at the fair exchange ratio for the Transaction.

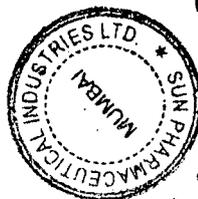
This report is our deliverable for the above engagement.

This report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

SOURCES OF INFORMATION

In connection with this exercise, we have used the following information received from the Management/their representatives and gathered from public domain:

- Latest and earlier period annual reports
- Quarterly standalone and consolidated profit and loss account for 4 quarters ended 31 December 2013 (without schedules)
- Standalone and consolidated balance sheet as at 31 December 2013
- Schedules to consolidated financials of 31 December 2013 for SPIL



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- Estimates for Earnings Before Interest, Tax, Depreciation & Amortization (EBITDA), capital expenditure, etc. for quarter ended March 31, 2014
- Estimates on working capital levels, effective tax rates, cost of borrowings, contingent liabilities, ESOPs, etc. if any.
- Draft Scheme of Arrangement

We have not been provided with forecasts for both Companies by the Management. However, both Companies are adequately covered by analysts and accordingly, we have relied on estimates of various research houses for both Companies from CapitalIQ database

We have been informed by SPIL that they have conducted legal due diligence on RLL and are satisfied that there is no material undisclosed potential contingency / liability through any ongoing litigations involving RLL.

During the discussions with the Management/their representatives/executives of both Companies, we have also obtained explanations and information considered reasonably necessary for our exercise. The Company has been provided with the opportunity to review the draft report (excluding the recommended exchange ratio), and to check with RLL/others as relevant, as part of our standard practice to make sure that factual inaccuracies / omissions are avoided in our final report.

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

This report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; (ii) the date of this report and (iii) are based on the balance sheets as at 31 December 2013 of the Companies. A valuation of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.

The recommendation(s) rendered in this report only represent our recommendation(s) based upon information till 5 April 2014, furnished by the Companies (or its representatives) and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). We have no obligation to update this report.



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In the course of the valuation, we were provided with both written and verbal information, including market, technical, financial and operating data.

In accordance with the terms of our respective engagements, we have assumed and relied upon, without independent verification, (i) the accuracy of the information that was publicly available and formed a substantial basis for this report and (ii) the accuracy of information made available to us by the Companies. In accordance with our Engagement Letter and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed or otherwise investigated the historical financial information provided to us. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Companies that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusions are based on the assumptions and information given by/on behalf of the Companies. The Management of the Companies have indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results. Accordingly, we assume no responsibility for any errors in the information furnished by the Companies and their impact on the report. Also, we assume no responsibility for technical information (if any) furnished by the Companies. However nothing has come to our attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the report. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose

The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless other wise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this valuation report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited/unaudited balance sheet of the Companies.

This report does not look into the business/ commercial reasons behind the Transaction nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

No investigation of the Companies' claim to title of assets has been made for the purpose of this report and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

We must emphasize that realisations of free cash flow forecast used in the analysis will be dependent on the continuing validity of assumptions on which they are based. Our analysis, therefore, will not, and cannot be directed to providing any assurance about the achievability of the final projections. Since the financial forecasts relate to future, actual results are likely to be



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different from the projected results because events and circumstances do not occur as expected, and the differences may be material.

The fee for the engagement is not contingent upon the results reported.

We owe responsibility to only the Boards of Directors of SPIL under the terms of our engagement letter dated 3 April 2014 and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to the Companies.

We do not accept any liability to any third party in relation to the issue of this Report. It is understood that this analysis does not represent a fairness opinion.

This valuation report is subject to the laws of India.

Neither the valuation report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the proposed Scheme of Amalgamation, without our prior written consent. In addition, this report does not in any manner address the prices at which SPIL's equity shares will trade following consummation of the Transaction and we express no opinion or recommendation as to how the shareholders of either Company should vote at any shareholders' meeting(s) to be held in connection with the Transaction.



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BACKGROUND OF SPIL and RLL

Sun Pharmaceutical Industries Limited

The issued and subscribed equity share capital of SPIL as at 31 December 2013 is ₹ 2,071.1 million consisting of 2,071,163,910 equity shares of face value of ₹ 1 each. The shareholding pattern is as follows:

Shareholding Pattern as on 31-12-2013	No of Shares	% Share Holding
Promoter & Group	1,318,341,400	63.7%
Non Promoter (Institutions)	584,766,111	28.2%
Non Promoter (Others)	168,056,399	8.1%
Total Non Promoter	752,822,510	36.3%
Grand Total	2,071,163,910	100.0%

Source: BSE filing (As at 31 December 2013)

Ranbaxy Laboratories Limited

The current issued and subscribed equity share capital of RLL as at 31 March 2014 is ₹ 2,118.9 million consisting of 423,779,063 equity shares of face value of ₹ 5 each. The shareholding pattern as provided to us by the Management is as follows:

Shareholding Pattern as on 31-04-2014	No of Shares	% Share Holding
Promoter & Group	268,711,323	63.4%
Non Promoter (Institutions)	85,131,881	20.1%
Non Promoter (Others)	63,641,778	15.0%
Total Non Promoter	148,773,659	35.1%
Total Promoter & Non Promoter	417,484,982	98.5%
Custodians (Against Depository Receipts)	6,294,081	1.5%
Grand Total	423,779,063	100.0%

Source: BSE filing (As at 31 March 2014)



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APPROACH - BASIS OF AMALGAMATION

The proposed Scheme of Arrangement contemplates the merger of the Companies pursuant to the Scheme of Amalgamation under sections 391 to 394 of the Companies Act, 1956. Arriving at the fair exchange ratio for the proposed merger of the RLL into SPIL would require determining the fair value of the equity shares of RLL in terms of the fair value of the equity shares of SPIL. These values are to be determined independently but on a relative basis, and without considering the current merger Transaction.

There are several commonly used and accepted methods for determining the fair exchange ratio for the proposed merger of RLL into SPIL, which have been considered in the present case, to the extent relevant and applicable, including:

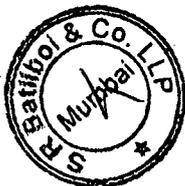
1. Market Price method
2. Comparable Companies Quoted Multiples method
3. Discounted Cash Flows method
4. Net Asset Value method

It should be understood that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the Companies, and other factors which generally influence the valuation of companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

Market Price (MP) Method

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share especially where the market values are fluctuating in a volatile capital market. Further, in the case of a merger, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.



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In the present case, the shares of RLL and SPIL are listed on BSE and NSE and there are regular transactions in their equity shares with reasonable volumes. In these circumstances, the volume weighted average share price observed on NSE for the respective Companies over a reasonable period have been considered for determining the value of the Companies under the market price methodology.

Comparable Companies' Quoted Multiple (CCM) method

Under this method, value of the equity shares of a company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

We have not used this methodology as (a) both Companies have certain unusual items affecting their revenues and profitability in the recent past the financial impact of which is difficult to quantify and (b) considering that both Companies are well researched and adequately traded, we believe the market price method adequately captures the market-based valuation. Accordingly, we have not used the CCM method.

Discounted Cash Flows (DCF) Method

Under the DCF method the projected free cash flows to the firm are discounted at the weighted average cost of capital. The sum of the discounted value of such free cash flows is the value of the firm.

Using the DCF analysis involves determining the following:

Estimating future free cash flows:

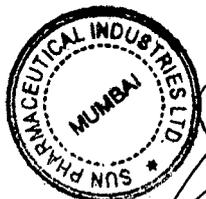
Free cash flows are the cash flows expected to be generated by the company that are available to all providers of the company's capital – both debt and equity.

Appropriate discount rate to be applied to cash flows i.e. the cost of capital:

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

We have not been provided by forecasts by the Management of respective Companies. Both these companies are widely covered by analysts. We have therefore considered estimates of research houses/broker reports from Capital IQ database. To the extent required, we have also taken inputs from the Management of respective Companies.

To arrive at the total value available to the equity shareholders of each of the Companies, value arrived above under DCF method for the Companies is adjusted for the value of loans, cash,



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contingent liability, etc. as deemed appropriate. The total value for equity shareholders is also adjusted for the period from the latest balance sheet date till the date of issue of report and adjusted for possible dilution on account of ESOPs, minority shares as applicable. The final equity value is then divided by the total number of equity shares in order to work out the value per equity share of the Companies.

Net Asset Value (NAV) Methodology

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This valuation approach is mainly used in case where the firm is to be liquidated i.e. it does not meet the "going concern" criteria or in case where the assets base dominate earnings capability. A Scheme of Amalgamation would normally be proceeded with, on the assumption that the companies amalgamate as going concerns and an actual realization of the operating assets is not contemplated. The operating assets have therefore been considered at their book values. In such a going concern scenario, the relative earning power is of importance to the basis of amalgamation, with the values arrived at on the net asset basis being of limited relevance.

Since the value of companies in this industry is largely driven by intangibles which are not captured in historical financials, NAV methodology has not been considered.

BASIS OF AMALGAMATION

The basis of merger of RLL into SPIL would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under each of the above methodologies, for the purposes of recommending a fair exchange ratio of equity shares it is necessary to arrive at a single value for each of the RLL shares and for the shares of SPIL. It is however important to note that in doing so, we are not attempting to arrive at the absolute equity values of RLL and SPIL but at their relative values to facilitate the determination of a fair exchange ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each methodology.

RLL and SPIL were valued using Market Price and Discounted Cash Flows with equal weight to both methods.

In the ultimate analysis, valuation will have to be tempered by the exercise of judicious discretion by the Valuers and judgment taking into accounts all the relevant factors. There will always be several factors, e.g. quality and integrity of the management, present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognised in judicial decisions.

The fair exchange ratios of equity shares of RLL and SPIL have been arrived at on the basis of a relative equity valuation for RLL and SPIL based on the various methodologies explained herein earlier and various qualitative factors relevant to each company and the business dynamics and



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growth potentials of the businesses of the Companies, having regard to information base, key underlying assumptions and limitations.

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we consider that the fair exchange ratio of equity shares for the merger of RLL into SPIL should be a ratio of 66 (sixty six) equity shares of SPIL of ₹ 1/- each fully paid up for every 100 (hundred) equity shares of RLL of ₹ 5/- each fully paid up.

As informed to us by SPIL, we understand that this Transaction is in the nature of acquisition of RLL by SPIL. Typically acquisitions involve payment of control premium by the acquiror to the sellers of the target for getting control of the target. As per our understanding the control premium paid on transactions involving change of control range from 11% to 31%. Considering the above, if one adds an average of the aforesaid range of control premium to the relative value of RLL considered in the fair exchange ratio mentioned above, the fair exchange ratio including the control premium would be 8 (eight) equity shares of SPIL of ₹ 1/- each fully paid up for every 10 (ten) equity shares of RLL of ₹ 5/- each fully paid up.

It should be noted that we have not examined any other matter including economic rationale for the Transaction per se or accounting, legal or tax matters involved in the Transaction.

Respectfully submitted,

S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E



Per Ravi Bansal
Partner
Membership No: 49365
Place: Mumbai
Date: 6 April, 2014

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Sun Pharmaceutical Industries Ltd.

Acme Plaza, Andheri - Kurla Road,
Andheri (East), Mumbai - 400 059, INDIA.
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Fax : (91-22) 2821 2010



CIN No. L24230GJ1993PLC019050
Website : www.sunpharma.com

EXHIBIT - 4

CIN: L24230GJ1993PLC019050

Website: www.sunpharma.com

Report on Recommendations of the Audit Committee on the draft Scheme of Arrangement between Sun Pharmaceutical Industries Limited (the "Company") and Ranbaxy Laboratories Limited.

Members

Mr. Keki M. Mistry	Chairperson
Mr. S. Mohanchand Dadha	Member
Mr. Hasmukh S. Shah	Member
Mr. Ashwin S. Dani	Member

In Attendance

Mr. Keki M. Mistry	Chairperson
Mr. S. Mohanchand Dadha	Member
Mr. Hasmukh S. Shah	Member
Mr. Ashwin S. Dani	Member

Invitees

Mr. Sudhir Valia	Whole Time Director
Mr. Uday Baldota	Sr. Vice President (Accounts & Finance)
Mr. Sunil Ajmera	Company Secretary
Mr. Ashok Bhuta	Compliance Officer
Mr. Ravi Bansal	Representative of S. R. Batliboi LLP (For part of the Meeting)
Mr. Parag Mehta	Representative of S. R. Batliboi LLP (For part of the Meeting)
Mr. Amish Mehta	Representative of S. R. Batliboi LLP (For part of the Meeting)

1. Background

1.1. A draft Scheme of Arrangement between Ranbaxy Laboratories Limited (Transferor Company) and Sun Pharmaceutical Industries Limited (the "Company" / "Transferee Company") was been placed before the Audit Committee by the management of the Company for it to consider and recommending on the said proposed draft Scheme of Arrangement for amalgamation of the Transferor Company into the Transferee



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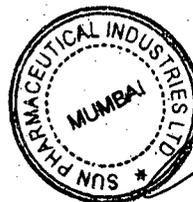
Company to the Board taking into account, in terms of Securities and Exchange Board of India ("SEBI") Circular No. CIR/CFD/DIL/5/2013 dated 4th February, 2013 ('Circular').

- 1.2. The representative members of S.R. Batliboi LLP, an Independent Chartered Accountants explained in detail to the Audit Committee about the various methodologies employed for the valuation of equity shares of the Company and same has been explained in their valuation report and also the various qualitative factors relevant to business of each company, the dynamics and growth potentials of the businesses of the both the Companies. The representative members of S.R. Batliboi LLP also answered the queries of the Audit Committee members satisfactorily.
- 1.3. Thereafter, the representatives of S.R. Batliboi LLP exited the Meeting.
- 1.4. In light of above Circular of SEBI and the valuation report issued by S.R. Batliboi LLP, the Audit Committee and the Fairness opinions , the members of the Audit Committee of the Company discussed & examined the draft Scheme of Arrangement for amalgamation of the Transferor Company and thereby transfer and vesting of Transferor Company into Transferee Company ("the Scheme") and recommended the Scheme vide resolution passed at its meeting held on April 06, 2014 and have made this report, after perusing the following necessary documents:
 - 1.4.1. Proposed draft Scheme of Arrangement.
 - 1.4.2. Valuation Report from S.R. Batliboi & Co. LLP, Chartered Accountants dated 06th April, 2014
 - 1.4.3. Fairness Opinion from Citi Global Markets India Private Limited, Category I Merchant Banker, Dated 06th April, 2014
 - 1.4.4. In addition to above fairness opinion, for the satisfaction of Company and to support/justify the fairness, the Company has obtained a fairness opinion from Evercore Group LLC dated 6th April, 2014

This report of Audit Committee is issued in terms of the Circular.

2. Proposed Scheme of Arrangement

- 2.1. The Audit Committee noted the rationale of the proposed arrangement, which is, inter alia, as follows:



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- 2.1.1. The combination of Transferee Company and Transferor Company bring strengths that each company does not necessarily possess individually. The expanded global reach of the Transferee Company would be particularly beneficial for capitalizing on growth opportunities in both developed and emerging markets, including India.
- 2.1.2. Both the Transferor Company and Transferee Company are in similar lines of business and intend to / can achieve larger product portfolio, economies of scale, efficiency, optimisation of logistic and distribution network and other related economies by consolidating the business operations being managed by different management teams. This Scheme of Arrangement intends to merge the operations of the Transferor Company with that of the Transferee Company to fulfill this objective.
- 2.1.3. The Transferee Company will have the benefit of a diversified product portfolio, including complex products and first to file opportunities, across chronic and acute treatments.
- 2.1.4. The Transferee Company will have the benefit of the combined resources of Transferor Company and Transferee Company. The Transferee Company would be in a position to carry on consolidated operations through optimum utilization of resources, avoidance of duplication and better financial strength.

3. The salient features of the draft Scheme are, inter alia, as under

- 3.1.1. The proposed draft Scheme provides for the amalgamation of Ranbaxy Laboratories Limited an Indian Company into Sun Pharmaceutical Industries Ltd., an Indian Company in terms of Section 391 to 394 note about section and Section 78 read with section 100 and other applicable provisions, if any, of the Companies Act, 1956 and the corresponding provisions of Companies Act, 2013 along with Section 52 of the Companies Act, 2013 as applicable (the "Act").
- 3.1.2. The Appointed Date for the proposed draft Scheme is fixed as on the 1st day of April, 2014 or such other date as may be agreed between the Transferor Company and the Transferee Company.
- 3.1.3. All the assets of Ranbaxy Laboratories Limited being transferred by the Transferor Company immediately before the amalgamation become the properties of the Transferee Company by virtue of the Scheme.



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- 3.1.4. All the liabilities of Ranbaxy Laboratories Limited being transferred by the Transferor Company, immediately before the amalgamation become the properties of the Transferee Company by virtue of the Scheme.
- 3.1.5. The transfer of the Undertaking will be on a going concern basis.
- 3.1.6. The Scheme also provides for the continuation of the NCDs in the books of the Transferee Company pursuant to the Scheme being sanctioned to be treated as applicable under the Indian Laws and other applicable regulations.
- 3.1.7. The Board of Directors of the Transferee Company may elect either to provide with equity option or cash out option for GDR holders of the Transferor Company, if any, pursuant to the Scheme being sanctioned and be treated as applicable under the Indian Laws and other applicable regulations.
- 3.1.8. Pursuant to the proposed draft Scheme the shareholder of Transferor Company will get 0.80 equity share of the Transferee Company of Re.1/- each fully paid up for every 1.00 equity share of the Transferor Company of Rs. 5/- each fully paid up held by them in the Transferor Company.
- 3.1.9. The proposed draft Scheme also provides for cancellation of shares of Transferor Company if any held by the Transferee Company or its subsidiaries or its limited liability partnerships.
- 3.1.10. As on the Appointed Date, the reserves, surplus and balance in the statement of profit and loss of the Transferor Company (after the immediately preceding adjustment/ reduction of the debit balance of profit and loss account as per the Scheme), if any, will be aggregated with the respective reserves, surplus and balance in the statement of profit and loss of the Transferee Company in the same form as they appeared in the financial statements of the Transferor Company.
- 3.1.11. An amount equal to the balance lying to the credit / debit of the Statement of Profit and Loss in the books of the Transferor Company (after the immediately preceding adjustment/ reduction of the debit balance of profit and loss account as per the Scheme), if any, shall be credited / debited by the Transferee Company to the balance of its statement of profit and loss and shall constitute (or reduce, as the case may be) the Transferee Company's free reserves.



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3.1.12. An amount equal to the balance lying to the credit of Securities / Share Premium Account in the books of the Transferor Company (after the immediately preceding adjustment/ reduction of the debit balance of profit and loss account as per the scheme), if any, shall be credited by the Transferee Company to its Securities / Share Premium Account and shall constitute the Transferee Company's Securities / Share Premium

4. Recommendations of the Audit Committee

- 4.1. The Audit Committee recommends the proposed draft Scheme and aforementioned documents for favorable consideration by the Board of Directors, Stock Exchange(s) and SEBI.
- 4.2. The Audit Committee has authorised the Board of Directors or any such person as authorized by the Board of Directors, to carry out such modifications, alterations and changes in the Scheme of Arrangement as may be expedient or necessary.

Date: April 06, 2014

Place: Mumbai

Sd/-
Chairman, Audit Committee

**Certified to be as True Copy
For Sun Pharmaceutical Industries Limited**


Ashok I. Bhuta

Compliance Officer



Corporate and
Investment Banking



EXHIBIT - 5

April 6, 2014

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

The Board of Directors:

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

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



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Citigroup Global Markets India Private Limited
(Regd. Off: 1202, 12th Floor, First International Financial Centre,
G Block, Bandra Kurla Complex, Bandra East, Mumbai - 400051.)

Corporate Identity Number
(CIN) U18999MH2007PTC120007



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

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

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



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The Board of Directors
Sun Pharmaceutical Industries Ltd.
April 6, 2014
Page 3

developments with respect to any of the foregoing that would be meaningful in any respect to our analyses or opinion.

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

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

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



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The Board of Directors
Sun Pharmaceutical Industries Ltd.
April 6, 2014
Page 4

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

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

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

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



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The Board of Directors
Sun Pharmaceutical Industries Ltd.
April 6, 2014
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otherwise expressly agreed, our opinion may not be quoted, referred to or otherwise disclosed, in whole or in part, nor may any public reference to us or CGMI or the opinion be made, without our prior written consent. Our opinion is not intended to be and does not constitute a recommendation to any shareholder or any other person as to how such shareholder or person should vote or act on any matters relating to the proposed Amalgamation or otherwise.

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

Very truly yours,

Citigroup Global Markets India Pvt Ltd.

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Pre and Post shareholding pattern of Sun and Ranbaxy

Pre-Shareholding Pattern

Category of Shareholder	Ranbaxy as on 31.03.2014		Sun as on 31.03.2014		Post-Merger shareholding (assuming the continuing shareholding pattern as on 31.03.2014)	
	Total No. of Shares	As a %	Total No. of Shares	As a %	Total No. of Shares	As a %
(A) Shareholding of Promoter and Promoter Group						
(1) Indian	-	-	1,318,346,400	63.65	1,318,346,400	54.83
(2) Foreign	268,711,323	63.41	-	-	-	-
Total shareholding of Promoter and Promoter Group (A)	268,711,323	63.41	1,318,346,400	63.65	1,318,346,400	54.83
(B) Public Shareholding						
(1) Institutions						
Mutual Funds / UTI	1,999,560	0.47	24,943,604	1.2	26,543,252.0	1.10
Financial Institutions / Banks	1,590,739	0.38	36,598,631	1.77	37,871,222.2	1.57
Central Govt./State Govt.	-	-	1,296,420	0.06	1,296,420.0	0.05
Insurance Companies	31,578,971	7.45	51,985,309	2.51	77,248,485.8	3.21
Foreign Institutional Investors	49,962,611	11.79	466,237,186	22.51	506,207,274.8	21.05
Qualified Financial Investor	-	-	31,600	-	31,600.0	0.00
Foreign Bank	-	-	-	-	-	-
Sub Total	85,131,881	20.09	581,092,750	28.06	649,198,255	27.00
(2) Non-Institutions						
Bodies Corporate	6,930,131	1.64	52,421,989	2.53	57,966,094	2.41
Individuals						
Individual shareholders holding nominal share capital up to Rs. 1 lakh	49,539,930	11.69	76,153,544	3.68	110,211,454.40	4.58
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	3,721,951	0.88	32,602,698	1.57	35,580,258.80	1.48
Foreign Corporate Bodies	1,229,808	0.29	617,160	0.03	216,570,064.80	9.01
Non Resident Indians	2,219,958	0.52	1,982,954	0.10	3,758,920.40	0.16
Clearing Members	-	-	2,172,188	0.10	2,172,188.00	0.09
Trusts	-	-	1,861,577	0.09	1,861,577.00	0.08
Directors & their Relatives & Friends	-	-	3,866,650	0.19	3,866,650.00	0.16
Overseas Corporate Bodies	-	-	46,000	-	46,000.00	0.00
ESOP Shares*	-	-	-	-	21,397.60	0.00
Sub Total	63,641,778	15.02	171,724,760	8.29	432,054,605	17.97
Total Public shareholding (B)	148,773,659	35.11	752,817,510	36.35	1,081,252,860	44.97
Total (A)+(B)	417,484,982	98.51	2,071,163,910	100	2,399,599,260	99.79
(C) Shares held by Custodians and against which Depository Receipts have been issued						
(1) Promoter and Promoter Group	-	-	-	-	-	-
(2) Public	6,294,081	1.49	-	-	5,035,264.80	0.21
Sub Total	6,294,081	1.49	-	-	5,035,264.80	0.21
Total (A)+(B)+(C)	423,779,063	100	2,071,163,910	100	2,404,634,524	100.0001102

- Current ownership of Transferee Company\its subsidiaries\its LLP's in the Transferor Company has been considered as cancelled under the head of 'Individuals owning nominal share capital upto one lakh.'

* - Shares issued by Ranbaxy post 31.03.2014 to its employees as ESOP have been considered and the ESOP shareholders will also get shares of transferee company.

Note: No treatment has been given for fraction shares arising upon merger.

For Sun Pharmaceutical Industries Limited

Ashok I. Bhuta - Compliance Officer
Date: 12th May 2014



Sun Pharmaceutical Industries Ltd.

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



CIN NO - L24230GJ1993PLC019050

Website: www.sunpharma.com

EXHIBIT F

ANNEXURE I

The financial details of the Transferee Company (Sun Pharmaceutical Industries Limited) for the previous 3 years as per the audited statement of Accounts:

Name of the Company: Sun Pharmaceutical Industries Limited

(Rs. in Crores)

Particulars	As Nine Months Published Results 31 st December, 2013	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year (Re-grouped as per Revised Schedule VI)
	2013-14	2012-13	2011-12	2010-11
Equity Paid up Capital	207.12	103.56	103.56	103.56
Reserves and surplus	7719.64	7685.32	7774.56	6576.97
Carry forward losses	0.00	0.00	0.00	0.00
Net Worth	7926.76	7788.88	7878.12	6680.53
Miscellaneous Expenditure	0.00	0.00	0.00	0.00
Secured Loans	20.91	43.13	40.30	50.53
Unsecured Loans	0.00	0.00	0.00	0.00
Fixed Assets	1614.48	1483.83	1226.17	990.04
Income from Operations	1986.13	2432.14	4015.56	3107.57
Total Income	2110.10	2668.31	4358.41	3301.70
Total Expenditure	1911.87	2005.28	2332.66	1847.72
Profit before Tax	198.43	663.03	1725.83	1453.98
Profit after Tax	137.88	516.55	1697.49	1383.80
Cash profit*	211.50	602.37	1773.21	1448.03
EPS**	0.7	2.50	16.40	13.40
Book value	7926.76	7788.88	7878.12	6680.53

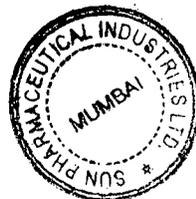
*Cash Profit= PAT + Depreciation

** Not Annualised for half year.

*** All figures are in Rs. Crores except EPS.

For Sun Pharmaceutical Industries Limited

Compliance Officer



Deloitte Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre
Tower 3, 27th - 32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai - 400 013
Maharashtra, India

Tel: +91 (022) 6185 4000
Fax: +91 (022) 6185 4501/4601

INDEPENDENT AUDITORS' REVIEW REPORT TO THE BOARD OF DIRECTORS OF SUN PHARMACEUTICAL INDUSTRIES LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of SUN PHARMACEUTICAL INDUSTRIES LIMITED ("the Company") for the Quarter and Nine Months ended December 31, 2013 ("the Statement"), being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 6 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We have not reviewed the consolidated financial results / information being submitted to the Stock Exchanges and published by the Company and accordingly, our report is restricted to the standalone unaudited financial results of the Company.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards notified under the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to Note 4 on the Statement regarding the figures for the Quarter and Nine Months ended December 31, 2013 not being comparable with the figures for the Quarter and Nine Months ended December 31, 2012 for the reason stated in the said Note.

Our review report is not qualified in respect of this matter.

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Regd. Office: 12, Dr. Annie Besant Road, Opp. Shiv Sagar Estate, Worli, Mumbai - 400 018, India
Deloitte Haskins & Sells (Registration No. BA 97449) a partnership firm was converted into Deloitte Haskins & Sells LLP (LLP Identification No. AAB-8737) a limited liability partnership with effect from 20th November 2013.

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[Signature]

6. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged / encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements and the particulars relating to investor complaints disclosed in Part II - Select Information for the Quarter and Nine Months Ended December 31, 2013 of the Statement, from the details furnished by the Management / Registrars.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)



Rajesh K Hiranandani
Partner
(Membership No. 36920)

MUMBAI, February 13, 2014

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Part I

Statement of Standalone Unaudited Financial Results for the Quarter and Nine Months ended December 31, 2013

(₹ in Lakhs)

Particulars	Quarter ended (Refer Note 4)			Nine Months ended (Refer Note 4)		Year ended
	31.12.2013 Unaudited	30.09.2013 Unaudited	31.12.2012 Unaudited	31.12.2013 Unaudited	31.12.2012 Unaudited	31.03.2013 Audited
Income from Operations						
Net Sales / Income from Operations (Net of Excise Duty)	65,851	65,870	87,573	190,550	244,202	224,340
Other Operating Income	3,164	1,964	98	6,063	47,524	18,874
Total Income from Operations (Net)	69,015	67,834	87,671	196,613	291,726	243,214
Expenses						
Cost of materials consumed	25,375	21,369	26,391	67,204	78,736	70,579
Purchases of stock-in-trade	5,886	5,814	10,639	16,650	27,909	20,096
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(5,730)	393	90	(5,262)	(2,971)	(1,053)
Employee benefits expense	7,254	6,888	9,648	21,148	29,154	23,487
Depreciation and amortisation expense	2,543	2,455	2,295	7,362	6,585	8,592
Other expenses	29,232	25,655	31,514	72,814	81,290	73,616
Total Expenses	64,360	62,864	80,576	178,716	220,603	195,307
Profit from Operations before Other Income and Finance Costs	4,655	6,170	7,095	17,897	71,123	47,907
Other income (net of impact of MTM loss on forward foreign exchange contracts)	6,948	(3,480)	3,365	(22)	12,768	18,440
Profit before Finance Costs	11,603	1,710	10,461	17,875	83,891	66,347
Finance costs	15	9	12	32	43	44
Profit before Tax	11,588	1,701	10,449	17,843	83,848	66,303
Tax expense	3,000	1,071	3,027	6,055	10,101	14,648
Net Profit for the period / year	8,588	630	7,422	13,788	73,747	51,655
Paid-up Equity Share Capital						
Equity Shares - Face Value ₹ 1 each	20,712	20,712	10,356	20,712	10,356	10,356
Reserves excluding Revaluation Reserve						768,532
Earnings Per Share of ₹ 1 each - In ₹ (Basic & Diluted) (Refer Note 8)	0.41	0.03	0.36	0.67	3.56	2.49

Part II

Select information for the Quarter and Nine Months ended December 31, 2013

Particulars	Quarter ended			Nine Months ended		Year ended
	31.12.2013	30.09.2013	31.12.2012	31.12.2013	31.12.2012	31.03.2013
Public Shareholding						
Number of Equity Shares of ₹ 1 each	752,822,510	752,822,510	376,103,755	752,822,510	376,103,755	376,103,755
Percentage of Shareholding	36.35	36.35	36.32	36.35	36.32	36.32
Promoters and Promoter Group Shareholding						
a) Pledged / Encumbered						
Number of Equity Shares of ₹ 1 each	3,310,000	2,850,000	2,437,052	3,310,000	2,437,052	1,928,077
Percentage of Equity Shares (as a % of the total shareholding of promoter and promoter group)	0.25	0.22	0.37	0.25	0.37	0.29
Percentage of Equity Shares (as a % of the total share capital of the Company)	0.16	0.14	0.23	0.16	0.23	0.19
b) Non-encumbered						
Number of Equity Shares of ₹ 1 each	1,315,031,400	1,315,491,400	657,041,148	1,315,031,400	657,041,148	657,550,123
Percentage of Equity Shares (as a % of the total shareholding of promoter and promoter group)	99.75	99.78	99.63	99.75	99.63	99.71
Percentage of Equity Shares (as a % of the total share capital of the Company)	63.49	63.51	63.45	63.49	63.45	63.49
Research & Development Expenses incurred (included above)	9,972	9,431	7,293	25,716	16,931	27,250

Investor Complaints

Pending at the beginning of the quarter	-
Received during the quarter	1
Disposed of during the quarter	1
Remaining unresolved at the end of the quarter	-

Notes :

- The above financial results of the Company have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on February 13, 2014 and have been subjected to a Limited Review by the Statutory Auditors of the Company.
- Other Operating Income for the nine months ended December 31, 2012 and year ended March 31, 2013 mainly represents Income from Partnership Firms. With effect from August 31, 2012, these Partnership Firms have been converted under Part IX of the Companies Act, 1956 into Private Limited companies, being wholly owned subsidiaries of the Company and accordingly, the figures for nine months ended December 31, 2013 are not comparable with the corresponding figures for nine months ended December 31, 2012.
- The Company has only one reportable business segment namely 'Pharmaceuticals'.
- The Scheme of Arrangement in the nature of spin off and transfer of Domestic Formulation undertaking of the Company to Sun Pharma Laboratories Ltd., wholly owned subsidiary, from the date of the business hours on March 31, 2012, being the appointed date, was approved by the Hon'ble High Courts of Gujarat and Bombay vide their Orders dated May 03, 2013 and the said Scheme became effective from May 27, 2013 upon filing of the said Orders with the Registrar of Companies. Accordingly, the effect of the Scheme was given in the financial results for the year ended March 31, 2013 only on an annual basis and approved by the Board of Directors at their meeting held on May 28, 2013. However, the financial results for quarterly periods during the year ended March 31, 2013 had been so approved without giving effect to the said Scheme and have not been restated in these results. In view of this, the figures for the quarter and nine months ended December 31, 2013 are not comparable with the figures for the quarter and nine months ended December 31, 2012 due to effect of spin off and transfer of Domestic Formulation undertaking of the Company.
- In terms of the resolution passed by the shareholders by way of Postal Ballot on July 15, 2013, the Company has allotted 1,035,581,955 bonus equity shares on August 03, 2013 in the ratio of 1 equity share of ₹ 1 each fully paid up for every equity share of ₹ 1 each held. Consequently, the Earnings Per Share of ₹ 1 each have been restated for all the periods presented based on the number of equity shares post bonus issue, i.e. 2,071,163,810 equity shares, in accordance with Accounting Standard (AS-20) on 'Earnings Per Share' as notified under the Companies (Accounting Standards) Rules, 2006.
- The Board of Directors of the Company at their meeting held on November 13, 2013, approved the Scheme of Arrangement for spin off of specified therapeutic and investment business undertakings of Sun Pharma Global FZE, a wholly owned subsidiary, into the Company w.e.f. May 1, 2013, without any consideration on a going concern basis consisting of all the assets and liabilities pertaining to the said business undertakings. The scheme being subject to approval by the shareholders and the relevant regulatory authorities, no effect thereof has been given in above results.
- Figures for the previous periods / year have been regrouped wherever considered necessary, other than as referred in Note 4 above.

Mumbai, February 13, 2014

EH *RKH*
For Identification
Deloitte Haskins & Sells LLP



By order of the Board

 Dilip S. Shanghvi
 Managing Director

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Sun Pharmaceutical Industries Ltd.

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

CIN No: L24230GJ1993PLC019050

Website: www.sunpharma.com



EXHIBIT 8

April 02, 2014

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

BSE Limited.,
Market Operations Dept.
P. J. Towers,
Dalal Street,
Mumbai - 400 001.

Dear Sirs,

Sub: Compliance with Clause 49 of the Listing Agreement.

As required by Clause 49 of the Listing agreement, we are pleased to send herewith the quarterly Compliance report for the Corporate Governance for the quarter ended 31st March, 2014.

Hope you will find the above in order and will meet with your requirements.

Thanking you,

Yours faithfully,
For Sun Pharmaceutical Industries Ltd

A I B

Ashok I. Bhuta
Compliance Officer

Encl: as above

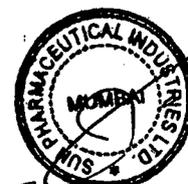
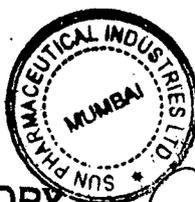


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SUN PHARMACEUTICAL INDUSTRIES LIMITED
Quarterly Compliance Report on Corporate Governance
for the Quarter ending on 31st March, 2014.

Particulars	Clause of Listing Agreement	Compliance status (Yes/No)	Remarks
1	2	3	4
I. Board of Directors	49 I	-	-
(A) Composition of Board	49(1A)	Yes	-
(B) Non-executive Directors' compensation & disclosure	49(1B)	Yes	-
(C) Other provisions as to Board and Committees	49(1C)	Yes	-
(D) Code of conduct	49(1D)	Yes	-
II. Audit Committee	49 II	-	-
(A) Qualified & Independent Audit Committee	49(IIA)	Yes	-
(B) Meeting of Audit Committee	49(II B)	Yes	-
(C) Powers of Audit Committee	49(II C)	Yes	-
(D) Role of Audit Committee	49(II D)	Yes	-
(E) Review of information by Audit Committee	49(II E)	Yes	-
III. Subsidiary Companies	49 III	Yes	-
IV. Disclosures	49 IV	-	-
(A) Basis of related party transactions	49 (IV A)	Yes	-
(B) Disclosure of Accounting Treatment	49 (IV B)	Yes.	-
(C) Board Disclosures	49(IV C)	Yes	-
(D) Proceeds from public issues, rights issues, preferential issues etc.	49 (IV D)	NA	-
(E) Remuneration of Directors	49 (IV E)	Yes	-
(F) Management	49(IV F)	Yes	-
(G) Shareholders	49 (IV G)	Yes.	-
V. CEO/CFO Certification	49 V	Yes	-
VI. Report on Corporate Governance	49 VI	Yes	-
VII. Compliance	49 VII	Yes.	-

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Sun Pharmaceutical Industries Ltd.

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



CIN NO - L24230GJ1993PLC019050
Website: www.sunpharma.com

Complaints Report:

EXHIBIT 9

Annexure III

Note: Details regarding the particulars of the complaints will be submitted within 7 days of expiry of 21 days from the date of filing of Draft Scheme

Part A

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

Part B

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

For Sun Pharmaceutical Industries Limited

A Z B

Compliance Officer



Sun Pharmaceutical Industries Ltd.
 17-B, Mahal Industrial Estate,
 Mahakali Caves Road, Andheri (East),
 Mumbai - 400 093, INDIA.
 Tel. : (91-22) 6645 5645
 Fax : (91-22) 6645 5685



CIN: L24230GJ1993PLC019050

Website: www.sunpharma.com

Undertaking of the Company in relation to non-applicability of requirements of Para 5.16(a) of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 (as modified by Para 7 of SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013) in respect of Scheme of Arrangement.

The Board of Directors of Sun Pharmaceutical Industries Limited ("the Company") at their meeting held on April 06, 2014 have considered and approved the Proposed Scheme of Arrangement between Ranbaxy Laboratories Limited (Ranbaxy) and the Company providing for amalgamation of Ranbaxy with the Company pursuant to Sections 391 to 394 and other relevant provisions of the Companies Act, 1956 (Act) and reduction of capital and reserves and surplus as under the Scheme pursuant to Section 78 (including corresponding Section 52 of the Companies Act, 2013), Section 100 and other relevant provisions of the Act ("the Proposed Scheme").

Ranbaxy is also a listed company which is an integrated international pharmaceutical organization with businesses encompassing the entire value chain in the marketing, production and distribution of dosage forms and active pharmaceutical ingredients. Ranbaxy does not belong to the Promoter Group, and is not a Related Party of the Promoter / Promoter Group of the Company or an Associate of the Promoter / Promoter Group of the Company or a Subsidiary of the Promoter / Promoter Group of the Company.

As per the Proposed Scheme, upon the effectiveness of the Scheme, in consideration of the transfer of and vesting of the Undertaking of Ranbaxy in the Company, the Company shall issue and allot to the equity shareholders of Ranbaxy equity shares of face value Re. 1/- (Rupees One) each credited as fully paid up of the Company in the ratio of 0.80 equity shares of the face value of Re. 1/- (Rupees One) each of the Company for every 1.00 equity share of Rs. 5/- (Rupees Five) each credited as fully paid-up held in Ranbaxy. However, in so far as the equity shares of Ranbaxy held by the Company or its subsidiaries or its limited liability partnerships are concerned, if any, on the Effective Date, such shares as per the terms of the Proposed Scheme shall stand cancelled and to that extent the Company is required to issue less number of shares.

Further, Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the Company are not holding any shares in Ranbaxy or Promoter or Promoter Group, Related Parties, Associates, Subsidiaries of Ranbaxy or its Promoter or Promoter Group.

In view of the foregoing:

- a) Under the Proposed Scheme, no shares are proposed to be allotted to Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the Company;

EH
 For Identification
 Deloitte Haskins & Sells LLP



Registered Office: SPARC, Tandajja, Vadodara - 390 020 Gujarat, INDIA.
 Corporate Office: Acme Plaza, Andheri-Kurla Road, Andheri (East), Mumbai - 400 059, INDIA.

- b) The Proposed Scheme does not involve any other entity involving Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the Company; and
- c) The Proposed Scheme does not contemplate any of the Company's subsidiary companies being merged in the Company.

Accordingly, in terms of Paragraph 7 of the SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013, the requirements stated in Para 5.16(a) of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 (as modified by Para 7 of SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013) regarding approval of the Proposed Scheme through postal ballot and e-voting by the shareholders of the Company are not applicable in relation to the Proposed Scheme.

For and on behalf of the Board of Directors
of Sun Pharmaceutical Industries Limited

EH
For Identification
Deloitte Haskins & Sells LLP

Mumbai, May 08, 2014



(Sunil Ajmera)
Company Secretary

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



Annexure I

Complaints Report:

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

Part A

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

Part B

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

