

**SCHEME OF AMALGAMATION AND MERGER  
OF  
SUN PHARMA GLOBAL, FZE  
WITH  
SUN PHARMACEUTICAL INDUSTRIES LIMITED  
AND THEIR RESPECTIVE MEMBERS AND CREDITORS**

[Pursuant to section 234 read with sections 230 to 232 of the Companies Act, 2013 and the relevant rules and regulations made thereunder]

## GENERAL

### **I. PURPOSE AND PREAMBLE**

This scheme of amalgamation and merger provides for amalgamation of Sun Pharma Global FZE, a foreign Limited Liability Company incorporated and licensed under Sharjah Airport International Free Zone (“**SAIF Zone**”) pursuant to Emiri Decree No. 2 of 1995 (“**Transferor Company**”) as a going concern into Sun Pharmaceutical Industries Limited, an Indian company registered under the Companies Act, 2013 pursuant to certificate of registration dated March 01, 1993 issued by the Registrar of Companies, Gujarat (Company Registration No. 04-19050 having corporate identification number L24230GJ1993PLC019050) (“**Transferee Company**”) pursuant to the provisions of Section 234 read with Sections 230 to 232 of Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 and rules framed thereunder for the Transferee Company and provisions of SAIF Zone of United Arab Emirates as may be applicable to Transferor Company.

The Transferor Company is an unlisted company licensed under SAIF Zone operating under License No. 06840 with general trading as its licensed activity. having its registered office at office # 43, Block Y, SAIF Zone, P. O. Box # 122304, Sharjah, UAE and engaged in the business of developing, manufacturing, trading and exporting pharmaceutical formulations and other related activities. The products of the Transferor Company are sold in USA and various other markets of the world. The Transferor Company is a wholly-owned indirect subsidiary of the Transferee Company.

The Transferee Company is a listed company registered under the provisions of the Companies Act, 2013 and presently having its registered office situated at SPARC, Tandalja, Vadodara - 390012, Gujarat, India and came into existence by conversion of a partnership firm in the name and style of ‘Sun Pharmaceutical Industries’ into a company in the name and style of ‘Sun Pharmaceutical Industries Limited’ on March 1, 1993 under the provisions of Part IX of the Companies Act, 1956 and it is engaged in the business of development, manufacture, marketing, sale, trading and export of various

pharmaceutical products, investment and other allied activities. The equity shares of the Transferee Company are listed on BSE Limited and National Stock Exchange of India Limited

## **II. RATIONALE FOR THE SCHEME**

The Board of Directors of Transferor Company and Transferee Company believe that the following benefits will accrue, pursuant to the amalgamation of the Transferor Company into the Transferee Company:

1. The amalgamation will enable the Transferee Company to integrate its business operations and provide impetus to the operations of the Transferee Company. The consolidation of the activities by way of an amalgamation will provide seamless access to the assets (including intangible assets, licenses and intellectual properties) of the Transferor Company, which will lead to synergies of operations, reduction in overheads including administrative, managerial and other expenditure, operational rationalization, organizational efficiency, competitive advantage and optimal utilization of resources eventually enhancing the growth and reputation of the group.
2. The combined entity will have a bigger portfolio of products and direct access to markets, which will strengthen its capabilities to serve more efficiently its customers; that shall ultimately benefit the patients. This will also enable the Transferee Company to consolidate its offering of branded products to its existing customer base across different therapies for various markets, both overseas as well as domestic where it has already a strong presence with requisite resources, address the competitive regulatory environment, risks and policies, better management of supply chain, better product profiling, greater differentiation, ability to strategize the business for long term growth, consolidation and creation of shareholder value. Further the growth of business of branded products envisages adequate capital and resources commitments and hence the merger of the Transferor Company into the Transferee Company shall enable the pooling of abundant resources of the Transferee Company to the business of the Transferor Company and impetus to the growth at a consolidated level.

3. Reorganising the legal entities in the group structure to ensure optimised corporate holding structure more aligned with the business requirements.
4. The amalgamation will result in cost saving for the Transferor Company and the Transferee Company as they are engaged in the similar business activities including common geographies viz. USA, which is expected to result in cost saving, operational efficiency on account of scale, efficient and optimum resource utilization and thereby enhancing the business value for the Transferee Company through faster and effective decision making and avoiding duplication of efforts. It is believed that the faster decision making would be in the best interests of the shareholders, employees and other stakeholders.
5. Significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the Transferor Company and the Transferee Company.
6. The Boards of Transferor Company as well as Transferee Company believe that this merger will contribute to smooth integration of both the companies and would benefit the shareholders, employees and other stakeholders of the Transferor Company and the Transferee Company.

In view of the aforesaid, the Board of Directors (defined herein) of the Transferee Company and the Transferor Company have considered the Scheme, whereunder the entire Undertaking (defined herein) and business of the Transferor Company would be transferred and vested with and into the Transferee Company pursuant to provisions of section 234 read with sections 230 to 232 and other relevant provisions of the Companies Act, 2013, to the extent applicable, SAIF Zone requirements applicable to mergers\arrangement.

### **III. PARTS OF THE SCHEME**

The Scheme is divided into following parts:

- (i) **Part A** – dealing with definition of the terms used in this Scheme and setting out the share capital of the Transferor Company and the Transferee Company;

- (ii) **Part B** – dealing with the transfer and vesting of the Undertaking of the Transferor Company into the Transferee Company;
- (iii) **Part C** – dealing with the consideration for the amalgamation of Transferor Company;
- (iv) **Part D** – dealing with the accounting treatment in the books of the Transferee Company;
- (v) **Part E** – dealing with the dissolution of the Transferor Company and the general terms and conditions applicable to this Scheme and other matters consequential and integrally connected thereto.

## **PART A**

### **DEFINITIONS AND SHARE CAPITAL**

#### **1. DEFINITIONS**

In this Scheme, unless repugnant to the context, the following expressions shall have the following meaning:

- 1.1 **“Act”** means the Companies Act, 2013, and rules and regulations made thereunder and shall include any statutory modifications, re-enactment or amendment thereto from time to time.
- 1.2 **“Applicable Law(s)”** means any statute, notification, bye laws, rules, regulations, guidelines, common law, policy, code, directives, ordinance, schemes, notices, orders or instructions, law enacted or issued or sanctioned by any Appropriate Authority including any modification or re-enactment thereof for the time being in force.
- 1.3 **“Appointed Date”** means January 01, 2020 or such subsequent date (if any) as may be decided by the Board of Directors as applicable, of the Transferor Company and the Board of Directors of the Transferee Company or such date as may be approved by the National Company Law Tribunal at Ahmedabad or such other appropriate date as the Appropriate Authority may decide.

- 1.4 **“Board of Directors”** means the board of directors of the Transferor Company or the board of directors of the Transferee Company or both, as the case may be, and shall include any duly constituted committee or authorised official(s) thereof.
- 1.5 **“Effective Date”** means the last of the dates on which the sanctions, approvals, consents, matters or filings referred to in Clause 15 of this Scheme is complied with or obtained or waived, as the case may be. Reference in the Scheme to “upon the Scheme becoming effective” shall mean the Effective Date.
- 1.6 **“Government Authority”** or **“Appropriate Authority”** means the central government, any applicable state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof including Securities and Exchange Board of India, stock exchanges, Registrar of Companies, regional directors, Reserve Bank of India, or arbitration or arbitral body having jurisdiction, and other government and regulatory authorities of United Arab Emirates and India as may be applicable.
- 1.7 **“Relevant Jurisdiction”** means the territories of the Republic of India and the territories of United Arab Emirates as the case may be.
- 1.8 **“Registrar of Companies”** means the Registrar of Companies, Gujarat, India and the registrar or its equivalent of such other Government Authority who has oversight on the company from a corporate law perspective in United Arab Emirates.
- 1.9 **“SAIF Zone”** shall mean as defined in Clause I.
- 1.10 **“Scheme”** means this scheme of amalgamation and merger in its present form, submitted to the National Company Law Tribunal or any other Appropriate Authority in the Relevant Jurisdiction, or with any modification(s) made under Clause 17 of this Scheme, as approved or directed by the National Company Law Tribunal or any other Appropriate Authority.
- 1.11 **“Transferee Company”** shall mean as defined in Clause I.

- 1.12 **“Transferor Company”** shall mean as defined in Clause I.
- 1.13 **“Tribunal”** means the National Company Law Tribunal, Ahmedabad Bench, constituted under Section 408 and other applicable provisions of the Act.
- 1.14 **“Undertaking”** shall mean and include the whole of the undertaking of the Transferor Company, as a going concern, including:
- i. Its businesses (more elaborately described as **“Transferor Businesses”**), all secured and unsecured debts, liabilities, losses, duties and obligations and all the assets, properties, rights, titles and benefits, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to fixed assets, current assets, investments, funds, licenses, registrations, intangibles, leases, marketing authorizations, tenancy rights, premises, lending arrangements, benefits of security arrangements, computers, office equipment, telephones, telexes, facsimile connections, communication facilities, service connections, benefits of agreements, contracts and arrangements including but not limited to contracts entered into with vendors, customers and service providers, powers, authorities, permits, allotments, approvals, consents, privileges, liberties, easements and all the right, title, interest, benefit and advantage, reserves, provisions, advances, receivables, deposits, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, tax credits (including but not limited to credits in respect of income tax, sales tax, value added tax or such other names known as etc.), software license(s), intellectual property(ies), domain/websites, etc. in connection with/relating to the Transferor Company and other claims and powers, of whatsoever nature and wherever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company, as on the Appointed Date.
  - ii. 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 United Arab Emirates or

anywhere in the world, 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), tax credit entitlement tax losses, rights, easements, privileges, liberties and advantages of whatsoever nature

and wherever situated 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 UAE or anywhere in the world.

- iii. 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 business activities and operations of the Transferor Company.
- iv. 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.
- v. Amounts claimed by the Transferor Company whether or not so recorded in the books of account of the Transferor Company from any Government Authority, under any law, act, scheme or rule, as refund of any tax, duty, cess or of any excess payment.
- vi. Rights to any claim not preferred or made by the Transferor Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, under any law, act, rule or scheme, and in respect of set-off, carry forward of un-

absorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. or any other or like benefits under the said acts or under and in accordance with any law or act, whether in UAE or anywhere outside UAE.

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

1.15 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

## 2. SHARE CAPITAL

### 2.1. Sun Pharma Global ,FZE

The share capital of the Transferor Company as per the audited Statement of Financial Position as on 31<sup>st</sup> March, 2020 is as under:

#### **Authorised share capital:**

101 equity shares of AED 150,000 each	AED 15,150,000
<b>Total</b>	<b>AED 15,150,000</b>

#### **Issued, subscribed and paid up share capital:**

101 equity shares of AED 150,000 each	AED 15,150,000
<b>Total</b>	<b>AED 15,150,000</b>

Notes:

1. A wholly owned subsidiary company of the Transferee Company, i.e. Sun Pharma Holdings, Mauritius presently holds 100% of the issued, subscribed and paid up capital of the Transferor Company and hence the Transferor Company is a wholly owned indirect subsidiary of the Transferee Company.
2. There has been no change in the above capital structure of the Transferor Company as on the date of the approval of this scheme by the Board of Directors of both the Transferor Company and the Transferee Company.

### 2.2. Sun Pharmaceutical Industries Limited

The Share Capital of the Transferee Company as per the audited Statement of Financial Position as on 31<sup>st</sup> March, 2020 is as under:

**Authorised share capital:**

5,990,000,000 equity shares of face value of INR 1/- each	INR 5,990,000,000
100,000 cumulative preference shares of face value of INR 100/- each	INR 10,000,000
<b>Total</b>	<b>INR 6,000,000,000</b>

**Issued, subscribed and paid up share capital:**

2,399,334,970 fully- paid up equity shares of face value of INR 1/- each	INR 2,399,334,970
<b>Total</b>	<b>INR 2,399,334,970</b>

## Notes:

1. There has been no change in the above capital structure of the Transferee Company as on the date of the approval of this Scheme by Board of Directors of both the Transferor Company and the Transferee Company. The Transferee Company has commenced a buyback of its equity securities through open-market route and to the extent to equity shares purchased through the buyback offer, the paid-up shareholding would undergo a change.
2. The equity shares of the Transferee Company are listed on BSE Limited and National Stock Exchange of India Limited.

**3. DATE OF TAKING EFFECT AND OPERATIVE DATE**

The Scheme set-out herein in its present form or with any modification(s) approved or imposed or directed by the National Company Law Tribunal or any other Appropriate Authority shall take effect from the Appointed Date and shall be operative from the Effective Date.

## **PART B**

### **TRANSFER AND VESTING OF UNDERTAKING OF THE TRANSFEROR COMPANY INTO THE TRANSFeree COMPANY**

#### **4. TRANSFER AND VESTING OF UNDERTAKING**

- 4.1 Subject to the provisions of this Scheme as specified hereinafter and with effect from the Appointed Date, the entire business and Undertaking of the Transferor Company, including all the debts, liabilities, losses, duties and obligations, including those arising on account of taxation laws and other allied laws, of the Transferor Company of every description and also including, without limitation, all the movable and immovable properties and assets (whether tangible or intangible) of the Transferor Company comprising, amongst others, all investments, receivables, actionable claims, furniture and fixtures, office equipment, telephones, telex, facsimile and other communication facilities and business licenses, permits, deposits, authorisations, approvals, lease, tenancy rights, permissions, incentives, if any, and all other rights, know-how, trade secret, patents, trademark, service mark, other intellectual property rights, registrations, title, interest, contracts including but not limited to contracts entered into with customers, vendors and service providers, consents, approvals and rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall, under the provisions of section 234 read with sections 230 to 232 of the Act and applicable provisions of the SAIF Zone and pursuant to the order of the National Company Law Tribunal sanctioning this Scheme and without further act, instrument or deed, but subject to the changes affecting the same as on the Effective Date, be transferred and/or deemed to be transferred to and vested in the Transferee Company, so as to become the properties, assets, rights, business and Undertaking of the Transferee Company.
- 4.2 Without prejudice to the generality of Clause 4.1 above, in respect of the assets of the Transferor Company, including cash and bank balances, as are movable in nature or are otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery or otherwise, the same shall be so transferred by the Transferor Company to the Transferee Company, without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee

Company as an integral part of the assets of the Transferee Company, with effect from the Appointed Date.

- 4.3 Without prejudice to the generality of Clause 4.1 above, with effect from the Appointed Date, all debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date whether provided for or not in the books of account of the Transferor Company and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or up to the day of the Appointed Date, shall be the debts, liabilities, duties and obligations of the Transferee Company including any encumbrance on the assets of the Transferor Company or on any income earned from those assets.
- 4.4 With effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes from the Appointed Date.
- 4.5 With effect from the Appointed Date, loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time thereafter become due between the Transferor Company and the Transferee Company shall, on and from the Effective Date stand discharged and come to an end and there shall be no liability in that behalf on any party and appropriate effect shall be given in the books of accounts and records of the Transferee Company.
- 4.6 All existing securities, mortgages, charges, liens or other encumbrances, if any, as on the Appointed Date and created by the Transferor Company after the Appointed Date, over the properties and other assets comprised in the Undertaking transferred to the Transferee Company by virtue of this Scheme and in so far as such securities, mortgages, charges, liens or other encumbrances secure or relate to liabilities of the Transferor Company, the same shall, after the Effective Date, 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, and such securities, mortgages, charges, liens or encumbrances shall not relate or attach to any other assets of the Transferee Company, provided however that no encumbrances shall have

been created by the Transferor Company over its assets after the date of filing of the Scheme, without the prior written consent of the Board of Directors of the Transferee Company, except for those done in the normal course of business.

- 4.7 All existing encumbrances over the properties and other assets of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of this Scheme.
- 4.8 It is expressly provided that, save as herein provided, 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 statutorily or by necessary implication.
- 4.9 With effect from the Appointed Date, all statutory licences, permissions, approvals or consents to carry on the operations of the Transferor Company shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company upon the vesting and transfer of the undertaking of the Transferor Company pursuant to this Scheme. The benefit of all statutory and regulatory permissions, licenses, environmental approvals and consents or other licenses and consents shall vest in and become available to the Transferee Company pursuant to this Scheme.
- 4.10 The amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and shall be in accordance with Section 2(1B) of the Income-tax Act, 1961.

## **5. STAFF, EMPLOYEES & DIRECTORS**

- 5.1. On the Scheme becoming effective, all staff and employees of the Transferor Company (if any) in service on the Effective Date shall be deemed to have become staff and employees of the Transferee Company with effect from the Appointed Date or the date of joining whichever is later, without any break or interruption in their service and on the basis of continuity of service for the purpose of provident fund and gratuity.
- 5.2. It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, superannuation fund or any other special fund or trusts, if any, created or existing for the benefit of the staff and employees of Transferor Company shall become trusts/funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of Transferor Company in relation to such fund or funds shall become those of the Transferee Company. It is clarified that, for the purpose of the said fund or funds, the services of the staff and employees of the Transferor Company will be treated as having been in continuous service with the Transferee Company from the date of employment as reflected in the records of Transferor Company.

## **6. LEGAL PROCEEDINGS**

- 6.1. If any suit, appeal or other proceedings of whatever nature by or against the Transferor Company are pending, including those arising on account of taxation laws and other allied laws, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the amalgamation or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company, as if this Scheme had not been made.

6.2. In case of any litigations, suits, recovery proceedings which are to be initiated or may be initiated against the Transferor Company after the Appointed Date, the Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of the Transferee Company. The Transferee Company undertakes to continue to abide by the agreement/settlement if any entered into by the Transferor Company with any of its employees, which is in force as on the Effective Date.

## **7. CONTRACTS, DEEDS, ETC., AND POWER TO GIVE EFFECT TO THIS PART**

7.1. Subject to the other provisions of this Scheme, all contracts, deeds, agreements, licences, permits, registrations, approvals and other instruments, if any, of whatsoever nature to which the Transferor Company are a party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto, notwithstanding the terms contained in such contracts, deeds, bonds, agreements, licences, permits, registrations, approvals and other instruments.

7.2. The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novation, to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, the Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

## **8. TREATMENT OF TAXES PAID BY THE TRANSFEROR COMPANY**

All taxes, levies, cess, etc. (whether direct or indirect) that might have been paid by the Transferor Company (whether before or after the Appointed Date) during the period when the merger has not become effective for any tax liability that arises after the Appointed Date shall be deemed to be tax paid by the Transferee Company and credit in respect thereof shall be given to the Transferee Company accordingly.

## **9. TREATMENT OF SCHEME FOR THE PURPOSES OF INCOME TAX ACT, 1961**

- 9.1. This Scheme has been drawn up to comply with and falls within the definition and conditions relating to 'amalgamation' as specified under Section 2(1B), Section 47 and such other provisions, as may be applicable, of the Income Tax Act, 1961.
- 9.2. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section of the Income Tax Act, 1961, at a later date, including resulting from an amendment of any Applicable Law(s) or for any other reason whatsoever, the Scheme shall stand modified/amended to the extent determined necessary to comply and fall within the definition and conditions relating to 'Amalgamation' as specified in the Income Tax Act, 1961. In such an event, the clauses which are inconsistent shall be read down or if the need arises be deemed to be deleted and such modification/reading down or deemed deletion shall however not affect the other parts of the Scheme.
- 9.3. Upon this Scheme being effective, and in terms thereof, both the Transferor Company and the Transferee Company are expressly permitted to prepare/redraw the relevant financial statements, as required, in accordance with, and in terms of, Appendix C to Indian Accounting Standards ("IndAS") 103 and/or International Financial Reporting Standards, as applicable, and the financial statements once certified by the Auditors and/or Firm of Chartered Accountants, will be regarded as duly drawn up in compliance with Companies Act, 2013 and/or laws applicable in relation to the Transferor Company. Further the Transferor Company and the Transferee Company are expressly permitted to revise and file their respective income tax returns and other

statutory returns, including tax deducted / collected at source returns, service tax returns, excise tax returns, sales tax / value added tax ,goods and services tax returns, minimum alternate tax 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 and without incurring any additional liability on account of interest, penalty, late fees or any other sum.

- 9.4. Any refund under the tax laws received by or due to the Transferor Company consequent to any assessments made on the Transferor Company subsequent to the Appointed Date pertaining to the business transferred and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.
- 9.5. Any transaction entered into by the Transferor Company between the Appointed Date and the Effective Date will not be regarded as non-compliant of withholding tax/tax deduction at source obligation under the Income Tax Act, 1961 or Goods and Service Tax obligation only on the ground that, on the sanction of the scheme, the transactions are regarded as having been carried out by the Transferee Company.

### **PART C**

#### **CONSIDERATION FOR AMALGAMATION OF TRANSFEROR COMPANY**

##### **10. CONSIDERATION FOR AMALGAMATION**

The Transferor Company is an indirect wholly owned subsidiary of the Transferee Company. The entire share capital of the Transferor Company is held indirectly by the Transferee Company. Hence, upon the Scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of the shares of the Transferor Company. Upon the Scheme becoming effective, the entire share capital of the Transferor Company shall be cancelled and extinguished.

## **PART D**

### **ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY**

#### **11. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY**

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

- 11.1. The Transferee Company shall record the assets and liabilities, if any, of the Transferor Company vested in it pursuant to this Scheme, at the carrying values thereof and in the same form as appearing in the consolidated financial statements of Transferee Company.
- 11.2. The identity of the reserves of the Transferor Company shall be preserved and the Transferee Company shall record the reserves of the Transferor Company in the same form and at the carrying amount as appearing in the consolidated financial statements of Transferee Company.
- 11.3. Pursuant to the amalgamation of the Transferor Company with the Transferee Company, the inter-company balances between the Transferee Company and the Transferor Company, if any appearing in the books of the Transferee Company shall stand cancelled.
- 11.4. The surplus/deficit, if any arising after taking the effect of clause 11.1 and 11.2, after giving the effect of the adjustments referred to in clause 11.3, shall be transferred to “Capital Reserve” in the financial statements of the Transferee Company.

- 11.5. Impact of impairment or otherwise, if any, in relation to the equity investments and other financial instruments ('financial instruments') held by the Transferee Company in any subsidiary through which the Transferee Company holds securities of the Transferor Company, shall be adjusted first from the capital reserve of the Transferee Company. Any spill-over of such impact over and above the amount adjusted against capital reserve shall be adjusted against the general reserve of the Transferee Company. Accordingly existing carrying value of financial instruments after deducting impairment as per this clause will be deemed as new carrying value of financial instruments henceforth.
- 11.6. In case of any differences in accounting policies between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies.
- 11.7. Comparative financial information in the financial statements of the Transferee Company shall be restated for the accounting impact of merger, as stated above, as if the merger had occurred from the beginning of the comparative period.

## **PART E**

### **DISSOLUTION OF THE TRANSFEROR COMPANY AND THE GENERAL TERMS AND CONDITIONS APPLICABLE TO THIS SCHEME AND OTHER MATTERS CONSEQUENTIAL AND INTEGRALLY CONNECTED THERETO**

#### **12. TRANSACTIONS BETWEEN THE APPOINTED DATE AND THE EFFECTIVE DATE (IF APPLICABLE)**

During the period from the Appointed Date to the Effective Date:

- 12.1. The Transferor Company shall carry on and be deemed to have carried on their business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of its business and Undertaking for and on account of and in trust for the Transferee Company.
- 12.2. The Transferor Company shall carry on their business and activities in the ordinary course of business with reasonable diligence and business prudence.
- 12.3. All the profits or income accruing or arising to the Transferor Company or expenditure or losses incurred or arising to the Transferor Company, shall for all purposes be treated and deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of the Transferee Company.
- 12.4. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Government Authorities concerned, as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require for carrying on the business of the Transferor Company.

12.5. The Transferor Company shall carry on their business, operations or activities with reasonable diligence and business prudence and in the same manner as they had been doing hitherto and shall not venture into/expand any new businesses, alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business, without the prior consent of the Transferee Company.

12.6. The Transferee Company and the Transferor Company shall also be entitled to make an application for amending, cancelling or obtaining fresh registrations, as the case may be, under all applicable laws and legislations. The Transferee Company and the Transferor Company would be entitled to make an application for amending licenses/ authorisations.

### **13. SAVING OF CONCLUDED TRANSACTIONS**

Subject to the terms of this Scheme, the transfer and vesting of the Undertaking of the Transferor Company under Clause 4 of this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or concluded between the Appointed Date and the Effective Date (both days inclusive), 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.

### **14. DISSOLUTION OF THE TRANSFEROR COMPANY**

Upon the Scheme becoming effective, the Transferor Company shall stand dissolved and the Transferor Company shall initiate and pursue all actions necessary under the laws and requirements of SAIF Zone for its liquidation including those in accordance with notification/circular issued by the Leasing, Licensing and Legal Affairs Department of the SAIF Zone Authority in relation to Requirements for Company Liquidation/Deregistration dated February 2019, to the extent applicable and such other additional requirements in accordance with requirements of SAIF Zone.

## **15. CONDITIONALITY OF THE SCHEME**

This Scheme is and shall be conditional upon, subject to (to the extent applicable and required):

- 15.1. The requisite consents, approvals or permissions of any Appropriate Authority(ies) from India, UAE, which by law may be necessary, for the implementation of this Scheme;
- 15.2. The approval by the requisite majority of the shareholders and/or creditors (as may be required and/or to the extent not dispensed with by the Appropriate Authority(ies)) of the Transferor Company and the Transferee Company, as required under Applicable Law(s);
- 15.3. Approval by the National Company Law Tribunal;
- 15.4. The certified copy of the order of the National Company Law Tribunal sanctioning the Scheme being filed with the Registrar of Companies by the Transferee Company;
- 15.5. Compliance by the Transferor Company and the Transferee Company of all the necessary and applicable provisions of its Applicable Law;
- 15.6. Compliance with such other conditions as may be imposed by the National Company Law Tribunal or other Government Authority.

## **16. APPLICATION TO THE NATIONAL COMPANY LAW TRIBUNAL**

- 16.1. The Transferee Company shall, with all reasonable despatch, make and file applications/petitions under provisions of section 234 read with sections 230 to 232 of the Act and other applicable provisions of the Act to the National Company Law Tribunal, within whose jurisdiction the registered office of the Transferee Company is situated, for sanctioning the Scheme.

16.2. The Transferor Company shall comply with the necessary and applicable provisions and procedural requirements under the applicable laws of UAE and the SAIF Zone for effectuating the scheme and dissolution of the Transferor Company. The Transferor Company shall take all necessary steps for sanctioning of this Scheme and for their continuing as one company with the Transferee Company and apply for and obtain such other approvals, if any, required under the Applicable Laws.

## **17. MODIFICATION OR AMENDMENTS TO THE SCHEME**

The Transferee Company and the Transferor Company by their respective Board of Directors, or any person(s) or committee authorised/appointed by them, may carry out or assent to any modifications/amendments to the Scheme or to any conditions or limitations that the National Company Law Tribunal and/or the Reserve Bank of India and/or Securities and Exchange Board of India or any other Government Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e., the Board of Directors or sole shareholder, as applicable, or the person(s)/ committee). The Transferee Company and the Transferor Company by their respective Board of Directors or sole shareholder, as applicable, any person(s) or committee authorised or appointed by them, shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any Government Authority or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith. The Transferee Company and the Transferor Company shall be at liberty to withdraw from this Scheme, in case of any condition or alteration imposed by the National Company Law Tribunal or any other authority. In case of any provisions that is inconsistent with the Reserve Bank of India Regulations, the scheme shall stand amended to that extent.

## **18. EFFECT OF NON-RECEIPT OF APPROVALS**

In the event any of the approvals or conditions enumerated in the Scheme not being obtained or complied with, or for any other reason, the Scheme cannot be implemented, the Board of Directors of the Transferee Company and the Board of Directors, of the Transferor Company shall by mutual agreement waive such conditions as they consider appropriate to

give effect, as far as possible, to this Scheme and failing such mutual agreement, or in case the Scheme is not sanctioned by the National Company Law Tribunal, the Scheme shall become null and void and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

## **19. COSTS, CHARGES AND EXPENSES**

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

## **20. MISCELLANEOUS**

20.1. For the avoidance of doubt, it is hereby clarified that nothing in this Scheme shall prevent the Transferee Company from (i) raising funds by issue of new equity shares and/ or preference shares and/ or any convertible/ non-convertible instruments and/or in any other manner subject to compliance of Applicable Laws during pendency of this Scheme, (ii) continuing and conducting a buyback of its equity shares or (iii) continuing or initiating any additional scheme involving the Transferee Company.

20.2. In case any doubt or difference or issue shall arise among the Transferor Company and the Transferee Company or any of their shareholders, creditors, employees and/or persons entitled to or claiming any right to any shares in the Transferor Company or the Transferee Company, as to the construction of this Scheme or as to any account, valuation or apportionment to be taken or made in connection herewith or as to any other aspects contained in or relating to or arising out of this Scheme, the same shall be amicably settled between the Board of Directors of the Transferor Company or any person(s) or committee authorised/appointed by them and the Board of Directors of the Transferee Company or any person(s) or committee authorised/appointed by them and the decision arrived at therein shall be final and binding on all concerned. If any part of this Scheme hereof is invalid, ruled illegal by any National Company Law Tribunal of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Transferor Company and the

Transferee Company that such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party to the Scheme, in which case the parties to the Scheme shall attempt to bring about a modification in the Scheme, as will best preserve for the parties to the Scheme, the benefits and obligations of the Scheme.