HIKAL LIMITED

Regd. Office: 717/718, Maker Chambers V, Nariman Point, Mumbai, Maharashtra 400021.

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IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 787 OF 2011

In the matter of the Companies Act, 1956 (1 of 1956);
And
In the matter of Sections 391 to 394 read with
Sections 78, 100 to 103 of the Companies Act, 1956;
And
In the matter of Scheme of Arrangement
Between
Acoris Research Limited ('Acoris' or 'the Transferor Company')
and
Hikal Limited ('Hikal' or 'the Transferee Company')
and
their respective shareholders and creditors

Hikal Limited,
a company incorporated under the)
provisions of Companies Act, 1956)
having its Registered Office at 717/718,)
Maker Chambers V, Nariman Point,)
Mumbai, Maharashtra 400021.) ……..Applicant Company

NOTICE CONVENING THE MEETING OF MEMBERS OF HIKAL LIMITED, THE APPLICANT COMPANY

To,

The Members of Hikal Limited ("the Applicant Company"),

TAKE NOTICE that by an Order made on 23rd day of December, 2011, in the above Company Summons for Direction, the Hon'ble High Court of Judicature at Bombay has directed that a meeting of the Members of Hikal Limited, the Applicant Company, be convened and held at Sunflower Suite No. 1&2, 30th Floor, World Trade Centre 1, Cuffe Parade, Mumbai 400005 on Thursday, 2nd day of February, 2012 at 11 a.m. for the purpose of considering and, if thought fit, approving with or without modification(s), the proposed arrangement embodied in the Scheme of Arrangement between Acoris Research Limited and Hikal Limited and their respective Shareholders and Creditors.

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the Members of Hikal Limited, the Applicant Company will be convened and held at Sunflower Suite No. 1 & 2, 30th Floor, World Trade Centre 1, Cuffe Parade, Mumbai 400005 on Thursday, 2nd day of February, 2012 at 11 a.m. at which place, day, date and time you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorised representative, is deposited at the Registered Office of the Applicant Company at 717/718, Maker Chambers V, Nariman Point, Mumbai, Maharashtra 400021 not later than 48 hours before the said meeting.

The Hon'ble High Court has appointed Mr. Jai Hiremath, Vice Chairman & Managing Director of the Applicant Company and failing him, Mr. Sameer Hiremath, President & Joint Managing Director of the Applicant Company, and failing him, Mr. Prakash Mehta, Director of the Applicant Company, to be the Chairperson of the said meeting.

A copy of the Explanatory Statement under Section 393 of the Companies Act, 1956, Scheme of Arrangement, Form of Proxy and Attendance Slip are enclosed.

Sd/-
Jai Hiremath
Vice Chairman & Managing Director
Chairperson appointed for the meeting

Dated this 26th day of December, 2011

Registered office:
717/718, Maker Chambers V,
Nariman Point, Mumbai,
Maharashtra 400021

Notes:

1. All alterations made in the Form of Proxy should be initialed.

2. Only registered shareholders of the Applicant Company may attend and vote (either in person or by proxy or by Authorised Representative under Section 187 of the Companies Act, 1956) at the Members meeting. The representative of a body corporate which is a registered Member of the Applicant Company may attend and vote at the Members meeting provided a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate authorising such representative to attend and vote at the Members meeting is deposited at the registered office of the Applicant Company not later than 48 hours before the meeting.

Encl.: As above

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 787 OF 2011

In the matter of the Companies Act, 1956 (1 of 1956);
And
In the matter of Sections 391 to 394 read with
Sections 78, 100 to 103 of the Companies Act, 1956;
And
In the matter of Scheme of Arrangement
Between
Acoris Research Limited ('Acoris' or 'the Transferor Company')
and
Hikal Limited ('Hikal' or 'the Transferee Company')
and
their respective shareholders and creditors

Hikal Limited,
a company incorporated under the)
provisions of Companies Act, 1956)
having its Registered Office at 717/718,)
Maker Chambers V, Nariman Point,)
Mumbai, Maharashtra 400021.) ……..Applicant Company

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

1. Pursuant to an Order dated 23rd day of December, 2011 passed by the Hon'ble High Court of Judicature at Bombay in the Company Summons for Direction referred to hereinabove, a meeting of the Members of Hikal Limited, the Applicant Company is being convened and held at Sunflower Suite No. 1 & 2, 30th Floor, World Trade Centre 1, Cuffe Parade, Mumbai 400005 on Thursday, 2nd day of February, 2012 at 11 a.m. for the purpose of considering and if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Arrangement between Acoris Research Limited ('Acoris') and Hikal Limited ('Hikal') and their respective Shareholders and Creditors ('the Scheme' or 'this Scheme').

2. A copy of the Scheme setting out in detail the terms and conditions of the arrangement, between Acoris and Hikal which has been approved by Board of Directors of the Applicant Company at its meeting held on 10th day of November, 2011, is attached to this explanatory statement.

3. In this statement, Acoris Research Limited is hereinafter referred to as 'Acoris' or 'the Transferor Company' and Hikal Limited is hereinafter referred to as 'Hikal' or 'the Transferee Company' or 'the Applicant Company'. The other definitions contained in the Scheme shall apply to this Explanatory Statement also.

4. The background of Hikal Limited is as under:

a. The Applicant Company was incorporated in the State of Maharashtra on 8th day of July, 1988, under the provisions of the Companies Act, 1956, under the name and style of "Hikal Chemical Industries Private Limited". It was converted into a Deemed Public Limited Company on 28th day of February, 1990 and subsequently converted into a full fledged Public Limited Company on 16th day of September, 1994 as "Hikal Chemical Industries Limited". The name was changed from Hikal Chemical Industries Limited to Hikal Limited w.e.f. 19th day of September, 2000.

b. The Registered Office of the Applicant Company is situated at 717/718, Maker Chambers V, Nariman Point, Mumbai, Maharashtra 400021.

c. The authorised, issued, subscribed and paid-up share capital of the Applicant Company as on March 31, 2011 is as under:

Authorised Share Capital	Amount (Rupees in Millions)
25,000,000 Equity Shares of Rs.10 each fully paid up	250.00
5,000,000 Cumulative Redeemable Preference Shares of Rs. 100 each fully paid up	500.00
TOTAL	**750.00**
Issued, Subscribed and Paid-up	
16,440,100 Equity Shares of Rs.10 each fully paid up*	164.40
**of the above :* - *150,000 equity shares of Rs.10 each were allotted as fully paid-up without payment being received in cash.* - *10,647,326 equity shares of Rs.10 each were allotted as fully paid-up bonus shares by capitalisation of general reserves;*	
TOTAL	**164.40**

There has been no change in the Capital Structure subsequent to March 31, 2011.

d. The Applicant Company is engaged in the manufacturing of various chemical intermediates, specialty chemicals, active pharma ingredients, agrochemical business and contracts research activities.

5. The background of Acoris Research Limited is as under:

a. Acoris Research Limited ('Acoris' or 'the Transferor Company') was incorporated in the State of Maharashtra on 25th day of July, 2000 under the provisions of the Companies Act, 1956 under the name and style of "Hikal Technologies Private Limited". The company was converted into a public company and name was subsequently changed to "Hikal Technologies Limited" on 30th day of March, 2005. Further, the name was changed to "Acoris Research Limited" on 23rd October 2007.

b. The Registered Office of Acoris is situated at 603, Great Eastern Chambers, CBD Belapur, Navi Mumbai 400 614.

c. The authorised, issued, subscribed and paid-up share capital of Acoris as on March 31, 2011 is as under:

Authorised Share Capital	Amount (Rupees in Millions)
25,000,000 Equity Shares of Rs. 10 each	250.00
500,000 Preference Shares of Rs. 100 each	50.00
TOTAL	**300.00**
Issued, Subscribed and Paid-up	
15,050,080 Equity Shares of Rs. 10 each fully paid-up*	150.50
**All the above shares are held by Hikal Limited, the holding company and its nominees*	
TOTAL	**150.50**

There has been no change in the Capital Structure subsequent to March 31, 2011.

d. Acoris Research Limited, a wholly owned subsidiary of Hikal, is a state-of-the-art contract research facility.

6. Both, the Applicant Company and Acoris are part of the Hikal Group ('the Group').

The management of the Group is of the view that consolidation of research activities carried on by Acoris with Hikal would have the following benefits:

1. Cost savings in terms of economies of scale, sourcing benefits, rationalisation, standardisation and simplification of business processes and productivity improvements;

2. The synergies that exist between the two businesses can be put to the best advantage of all stakeholders;

3. Greater size, scale, integration and greater financial strength and flexibility for the restructured entity;

4. The consolidated entity will benefit from improved organizational capability and leadership, arising from the combination of people from both entities who have the diverse skills, talent and vast experience to compete successfully in increasingly competitive industries;

5. Enhanced reliability and cost efficiency on account of in house research

In view of the aforesaid, the Board of Directors of all the Companies have considered and proposed the Scheme of Arrangement under the provisions of Section 391 to Section 394 read with sections 78, 100 to 103 of the Companies Act, 1956

7. The salient features of the Scheme are as follows:

(a) The Scheme envisages the demerger of Research Business Undertaking of Acoris into Hikal pursuant to Sections 391 to 394 read with Sections 78, 100 to 103 and other applicable provisions of the Companies Act, 1956 on a going concern basis in the manner provided for in the Scheme.

(b) Appointed Date means April 1, 2012 or such other date as may be approved by the High Court or any other competent authority.

(c) Since the entire share capital of Acoris is held by Hikal, no consideration shall be payable / dischargeable for the vesting of the Research Business Undertaking.

(d) All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed), incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by Hikal.

(e) The Scheme is conditional upon and subject to:

- The Scheme being approved by the requisite majorities in number and value of members.
- The Scheme being sanctioned by the High Court of Judicature at Bombay or any other authority under Sections 391 to 394 read with Sections 78, 100 to 103 of the Act.
- Certified copies of the Orders of the High Court sanctioning the Scheme being filed with the Registrar of Companies, Maharashtra, at Mumbai by Hikal and Acoris.
- Sanctions and approvals including but not limited to in principle approvals, sanctions of any person or any governmental authority or any stock exchanges as may be required by law or under contract in respect of this Scheme being obtained.

The features set out above being only the salient features of the Scheme of Arrangement; the Members are requested to read the entire text of the Scheme of Arrangement annexed hereto to get fully acquainted with the provisions thereof.

8. The shareholding pattern of the Applicant Company as on 30th September, 2011 is as under :

HIKAL LTD

Shareholding pattern as on September 30, 2011

Category code	Category of Shareholder	Number of Share-holders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of(A+B)1	As a percentage of (A+B+C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)*100
(A)	Shareholding of Promoter and Promoter Group							
1	Indian							
(a)	Individuals/ Hindu Undivided Family	6	1601430	1601430	9.74	9.74	0	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	7	9622707	9622707	58.53	58.53	0	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Others: Trusts	7	90000	60000	0.55	0.55	0	0.00
(e-i)		0	0	0	0.00	0.00	0	0.00
(e-ii)		0	0	0	0.00	0.00	0	0.00
	Sub Total(A)(1)	20	11314137	11284137	68.82	68.82	0	0.00
2	Foreign							
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
b	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
c	Institutions	0	0	0	0.00	0.00	0	0.00
d	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
d-i		0	0	0	0.00	0.00	0	0.00
d-ii		0	0	0	0.00	0.00	0	0.00
	Sub Total(A)(2)	0	0	0	0.00	0.00	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	20	11314137	11284137	68.82	68.82	0	0.00
(B)	Public shareholding							
1	Institutions							
(a)	Mutual Funds/ UTI	3	1054669	1054669	6.42	6.42	0	0.00
(b)	Financial Institutions / Banks	0	0	0	0.00	0.00	0	0.00
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00	0	0.00
(e)	Insurance Companies	1	20100	0	0.12	0.12	0	0.00
(f)	Foreign Institutional Investors	6	35881	35881	0.22	0.22	0	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	0	0.00
(h)	Any Other (specify)	0	0	0	0.00	0.00	0	0.00
(h-i)		0	0	0	0.00	0.00	0	0.00
(h-ii)		0	0	0	0.00	0.00	0	0.00
	Sub-Total (B)(1)	10	1110650	1090550	6.76	6.76	0	0.00

The features set out above being only the salient features of the Scheme of Arrangement; the Members are requested to read the entire text of the Scheme of Arrangement annexed hereto to get fully acquainted with the provisions thereof.

Category code	Category of Shareholder	Number of Share-holders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of(A+B)1	As a percentage of (A+B+C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)*100
B 2	Non-institutions							
(a)	Bodies Corporate	240	262673	257823	1.60	1.60	0	0.00
(b)	Individuals							
i.	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	7713	1330216	1214941	8.09	8.09	0	0.00
ii.	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	7	178375	178375	1.08	1.08	0	0.00
(c)	Any Other (specify)							
(c-i)	NRI/OCBs	145	64193	64193	0.39	0.39	0	0.00
(c-ii)	Clearing Members	73	19247	19247	0.12	0.12	0	0.00
(c-iii)	Foreign National	1	24310	24310	0.15	0.15	0	0.00
(c-iv)	Foreign Corporate Bodies	1	1360000	1360000	8.27	8.27	0	0.00
(c-v)	Trusts	3	776299	776299	4.72	4.72	0	0.00
	Sub-Total (B)(2)	8183	4015313	3895188	24.42	24.42	0	0.00
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	8193	5125963	4985738	31.18	31.18	0	0.00
	TOTAL (A)+(B)	8213	16440100	16269875	100	100	0	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0.00	0	0.00
1	Promoter and Promoter Group	0	0	0	0.00	0.00	0	0.00
2	Public	0	0	0	0.00	0.00	0	0.00
	GRAND TOTAL (A)+(B)+(C)	8213	16440100	16269875	0.00	0.00	0.00	0.00

There would be no change in capital structure and shareholding pattern of the Applicant Company pursuant to the Scheme since no issue of shares pursuant to the Scheme is envisaged.

9. The entire issued, subscribed and paid up capital of Acoris is held by the Applicant Company and its nominees. There would be no change in the capital structure and shareholding pattern of Acoris pursuant to the Scheme since no issue of shares pursuant to the Scheme is envisaged.

10. The Directors of the Applicant Company and Acoris may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in the respective companies, or to the extent the said directors are common directors in the companies, or to the extent the said directors are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in any of the companies. Save as aforesaid, none of the Directors of the Companies have any material interest in the proposed Scheme.

11. (a) The extent of the shareholding of the Directors of Hikal in Hikal and Acoris either singly or jointly or as nominee as on 30th September, 2011 is as under:

Sr. No	Name of the Director	Designation	Equity shares in Hikal	Equity shares in Acoris
1	Baba Kalyani	Chairman	3000	Nil
2	Jai Hiremath	Vice Chairman & Managing Director	177500	Nil
3	Sameer Hiremath	President & Joint Managing Director	52130	10*
4	Sugandha Hiremath	Director	1319000	10*
5	Kannan Unni	Director	5500	Nil
6	Prakash Mehta	Director	1970	Nil
7	Shivkumar Kheny	Director	6350	Nil
8	Amit Kalyani	Alternate Director	Nil	Nil
9	Peter Pollak	Director	Nil	Nil
10	Wolfgang Welter	Director	Nil	Nil

* As nominee of Hikal Limited

(b) The extent of the shareholding of the Directors of Acoris in Acoris and Hikal either singly or jointly or as nominee as on 30th September, 2011 is as under:

Sr No	Name of the Director	Designation	Equity shares in Acoris	Equity shares in Hikal
1	Jai Hiremath	Director	Nil	177500
2	Sameer Hiremath	Director	10*	52130
3	Sham Wahalekar	Director	10*	2700
4	Anish Swadi	Director	Nil	1000

* As nominee of Hikal Limited

12. The Applicant Company has obtained the approval to the Scheme in the terms of Clause 24(f) of the Listing Agreements of Bombay Stock Exchange Limited and National Stock Exchange of India Limited vide their letters dated 20th December 2011 and 30th November, 2011 respectively.

13. The financial position of the Applicant Company will not be adversely affected by the Scheme. Further, the rights and interests of the creditors of the Applicant Company will not be prejudicially affected by the Scheme as the Applicant Company, post the Scheme will be able to meet its liabilities as they arise in the ordinary course of business. Further, the rights and interests of the shareholders and creditors of the Applicant Company will not be prejudicially affected by the Scheme as their rights are not sought to be modified in any manner.

14. No investigation proceedings are pending or are likely to be pending under Sections 235 to 251 of the Companies Act, 1956 in respect of the Applicant Company.

15. In the event of any of the said sanctions and approvals referred to in the Scheme not being obtained and / or the Scheme not being sanctioned by the High Court or such other competent authority and / or the order or orders not being passed as aforesaid before March 31, 2014 or such other date as may be agreed by the respective Board of Directors of Hikal and Acoris may determine, 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.

16. Inspection of the following documents may be had by the Members of the Applicant Company at the Registered Office of Hikal Limited up to one day prior to the date of the meeting between 11:00 am and 1:00 pm on all working days (except Saturdays, Sundays and Public holidays):

(a) Copy of the Order dated 23rd day of December, 2011 of the Hon'ble High Court of Judicature at Bombay passed in Company Summons for Direction No. 787 of 2011 directing the convening of the meeting of the Members of the Applicant Company.

(b) Scheme of Arrangement.

(c) Memorandum and Articles of Association of the Applicant Company and Acoris.

(d) The Audited Financial Statements of the Applicant Company for last three financial years ended March 31, 2011, March 31 2010 and March 31, 2009 and the Audited Financial Statements of Acoris for last three financial years ended March 31, 2011, March 31, 2010 and March 31, 2009.

(e) The Unaudited Financial Statements of the Applicant Company as on September 30, 2011 and Unaudited Financial Statements of Acoris as on September 30, 2011.

(f) Copy of No Objection Certificate to the Scheme received from the Bombay Stock Exchange Limited and National Stock Exchange of India Limited vide their letters dated 20th December 2011 and 30th November, 2011 respectively.

This statement may be treated as an Explanatory Statement under Section 393 of the Companies Act, 1956. A copy of the Scheme, Explanatory Statement and Form of Proxy may be obtained from the Registered Office of the Applicant Company and/or at the office of the Advocates M/S Hemant Sethi & Co, 1602, Nav Parmanu, Behind Amar Cinema, Chembur, Mumbai 400 071.

Sd/-
Jai Hiremath
Vice Chairman & Managing Director
Chairperson appointed for the meeting

Dated this 26th day of December, 2011

Registered office:
717/718, Maker Chambers V,
Nariman Point, Mumbai,
Maharashtra 400021

Note: All alterations made in the form of proxy should be initialed.

Scheme of Arrangement
between
Acoris Research Limited
and
Hikal Limited
and
their respective Shareholders and Creditors
Under Sections 391 to 394 read with sections 78, 100 to 103 of the Companies Act, 1956

PREAMBLE

A. Description of the Companies

1. Hikal Limited ('Hikal') is a public listed company,engaged in the manufacturing of various chemical intermediates, specialty chemicals, active pharma ingredients, agrochemical business and contracts research activities

2. Acoris Research Limited ('Acoris') a wholly owned subsidiary of Hikal, is a state-of-the-art contract research facility.

B. Rationale and Purpose of the Scheme

Both the Companies are part of the Hikal Group ('the Group').

The management of the Group is of the view that consolidation of research activities carried on by Acoris with Hikal would have the following benefits:

1. Cost savings in terms of economies of scale, sourcing benefits, rationalisation, standardisation and simplification of business processes and productivity improvements;

2. The synergies that exist between the two businesses can be put to the best advantage of all stakeholders;

3. Greater size, scale, integration and greater financial strength and flexibility for the restructured entity;

4. The consolidated entity will benefit from improved organizational capability and leadership, arising from the combination of people from both entities who have the diverse skills, talent and vast experience to compete successfully in increasingly competitive industries;

5. Enhanced reliability and cost efficiency on account of in house research

In view of the aforesaid, the Board of Directors of all the Companies have considered and proposed the Scheme of Arrangement comprising of various distinct but integrally connected arrangements under the provisions of Section 391 to Section 394 read with sections 78, 100 to 103 of the Companies Act, 1956.

C. Sections of the Scheme

The Scheme comprises of the following:

(a) The Demerger of Research Business Undertaking of Acoris into Hikal more fully described in Section 2 hereof; and

(b) Section 1 of the Scheme deals with the Definitions, Date of taking effect and Share Capital and Section 3 of the Scheme deals with Other Terms and Conditions which unless the context requires otherwise are applicable to the arrangement envisaged by the Scheme.

SECTION 1

1. DEFINITIONS

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

1.1 **"Act"** or **"the Act"** means the Companies Act, 1956, or any statutory modification or re-enactment thereof for the time being in force.

1.2 **"the Appointed Date"** means the April 1, 2012 or such other date as may be approved by the High Court or any other competent authority.

1.3 **"Board of Directors"** means and includes a Committee of Directors

1.4 **"the Research Business Undertaking"** shall mean the entire business and undertaking of Acoris relating to contract research and related activities as a going concern and shall include (without limitation) the following:

(a) All the assets and properties of Acoris related to Research Business Undertaking as on the Appointed Date (hereinafter referred to as "the said assets");

(b) All the debts, liabilities, duties and obligations including contingent liabilities of Acoris relating to Research Business Undertaking as on the Appointed Date (hereinafter referred to as "the said liabilities");

(c) Without prejudice to the generality of sub-clause (a) and (b) above, the Research Business Undertaking shall include the movable and immovable properties including land and building, plant and machinery, equipment, furniture, fixtures, vehicles, deferred tax asset, leasehold assets and other properties, real, corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, assets including cash in hand, amounts lying in the banks to the credit of Acoris, investments, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, licenses, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, advantages, leasehold rights, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, goodwill, other intangibles, permits, authorisations, trade marks, trade names, brands, patents, patent rights, copyrights, designs, and other industrial and intellectual properties and rights of any nature whatsoever including designs, know-how, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverables and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions permissions, and approvals of whatsoever nature (including but not limited to benefits of tax relief including under the Income-tax Act, 1961 such as credit for advance tax, taxes deducted at source etc, unutilised deposits or credits, benefits under the VAT/ Sales Tax law, VAT/ sales tax set off, unutilised deposits or credits, benefits of any unutilised MODVAT/CENVAT/Service tax credits, etc.) and wheresoever situate, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by Acoris and whether specifically included or not as on the Appointed Date.

Explanation A: Whether any particular asset, liability or reserve should be included as asset, liability or reserve of the Research Business undertaking or otherwise shall be decided mutually by the Board of Directors or any committee thereof of Acoris and Hikal;

Explanation B: For the purpose of this Scheme, it is clarified that liabilities pertaining to the Research Business Undertaking of Acoris include:

(a) The liabilities, which arise out of the activities or operations of Research Business Undertaking of Acoris.

(b) Specific loans and borrowings raised, incurred and utilized solely for the activities or operation of the Research Business Undertaking of Acoris.

(c) Liabilities other than those referred to in Sub-Clauses (a) and (b) above and not directly relatable to the Remaining Undertaking of Acoris, being the amounts of general or multipurpose borrowings of Acoris shall be allocated to the Research Business Undertaking of Acoris in the same proportion which the value of the assets transferred under this Clause bears to the total value of the assets of Acoris immediately before giving effect to this Scheme. The parties shall mutually agree upon the identification of the liabilities to be transferred to Hikal as liabilities pertaining to the Research Business Undertaking

Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Research Business Undertaking of Acoris or whether it arises out of the activities or operations of Research Business Undertaking of Acoris shall be decided by mutual agreement between the Board of Directors or any Committee of Directors thereof of Acoris and Hikal.

1.5 **"CENVAT"** means Central Value Added Tax.

1.6 **"Court"** or **"High Court"** means High Court of Judicature at Bombay and shall include the National Company Law Tribunal, if applicable.

1.7 **"the Effective Date"** or **"coming into effect of this Scheme"** or **"upon the Scheme becoming effective"** means the last of the dates on which the certified copies of the orders sanctioning this Scheme passed by the High Court of Judicature at Bombay or such other competent authority, as may be applicable, are filed with the Registrar of Companies, Maharashtra, Mumbai.

1.8 **"MODVAT"** means Modified Value Added Tax.

1.9 **"Parties"** means Acoris and Hikal collectively.

1.10 **"Remaining Undertaking of Acoris"** means the all assets and properties other than those of Research Business Undertaking and all liabilities directly or indirectly related thereto.

1.11 **"Hikal"** means Hikal Limited, a company incorporated under the Companies Act, 1956 having its registered office at 717/718, Maker Chambers, V. Nariman Point, Mumbai, Maharashtra 400021.

1.12 **"Acoris"** means Acoris Research Limited, a company incorporated under the Companies Act, 1956 having its registered office at 603, Great Eastern Chambers, CBD Belapur, Navi Mumbai 400 706.

1.13 **"Scheme"** or **"the Scheme"** or **"this Scheme"** means this Scheme of Arrangement in its present form as submitted to the Hon'ble High Court of Judicature at Bombay or this scheme with such modification(s), if any as may be assented to by the Boards of Directors of the Parties or with any modification(s) or limitation(s) as approved or directed or imposed by the High Court or such other competent authority, as may be applicable.

1.14 **"VAT"** means Value Added Tax.

1.15 Expressions not defined in this Scheme

The expressions which are used in this Scheme and not defined in this Scheme, shall, unless repugnant or contrary

to the context or meaning hereof, and as the context may require, have the same meaning ascribed to them under the Act or the Securities Contracts (Regulation) Act, 1956 or the Depositories Act, 1996 or other applicable laws, rules, regulations, bye-laws, as the case may be, or any statutory modification or re-enactment thereof from time to time. In particular, wherever reference is made to High Court in the Scheme, the reference would include, if appropriate, reference to the National Company Law Tribunal or such other forum or authority as may be vested with the powers of the High Court under the Act.

2. DATE OF TAKING EFFECT

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

3. SHARE CAPITAL

3.1 As on March 31, 2011, the authorised, issued and subscribed share capital of Hikal is as under:

Authorised Share Capital	**Amount (Rupees in Millions)**
25,000,000 Equity Shares of Rs.10 each fully paid up	250.00
5,000,000 Cumulative Redeemable Preference Shares of Rs. 100 each fully paid up	500.00
Total	**750.00**
Issued, Subscribed and Paid-up	
16,440,100 Equity Shares of Rs.10 each fully paid up*	**164.40**
**of the above :* - *150,000 equity shares of Rs.10 each were allotted as fully paid-up without payment being received in cash.* - *10,647,326 equity shares of Rs.10 each were allotted as fully paid-up bonus shares by capitalisation of general reserves;*	
Total	**164.40**

Subsequent to the above date, there has been no change in authorised, issued, subscribed and paid up share capital of Hikal.

3.2 As on March 31, 2011, the authorised, issued and subscribed share capital of Acoris is as under:

Authorised Share Capital	**Amount (Rupees in Millions)**
25,000,000 Equity Shares of Rs. 10 each	250.00
500,000 Preference Shares of Rs. 100 each	50.00
Total	**300.00**
Issued, Subscribed and Paid-up	
15,050,080 Equity Shares of Rs. 10 each fully paid-up*	150.50
*All the above shares are held by Hikal Limited, the holding company and its nominees	
Total	**150.50**

Subsequent to the above date, there has been no change in authorised, issued, subscribed and paid up share capital of Acoris.

SECTION 2

DEMERGER OF RESEARCH BUSINESS UNDERTAKING OF ACORIS INTO HIKAL

4. TRANSFER AND VESTING

4.1 The Research Business Undertaking of Acoris shall stand transferred to and vested in or deemed to be transferred to and vested in Hikal, as a going concern, in accordance with Section 2(19AA) of the Income Tax Act, 1961 and in the following manner:

4.1.1 With effect from the Appointed Date, the whole of the undertaking and properties of the Research Business Undertaking, shall pursuant to the provisions contained in Sections 391 to 394 and all other applicable provisions, if any, of the Act and without any further act, deed, matter or thing, stand transferred to and vested in and / or be deemed to be transferred to and vested in Hikal so as to vest in Hikal all rights, title and interest pertaining to the Research Business Undertaking.

4.1.2 In respect of all the movable assets of Acoris, in relation to the Research Business Undertaking and the assets which are otherwise capable of transfer by physical delivery or novation or endorsement and delivery, including cash on hand, shall be so transferred to Hikal and deemed to have been physically handed over by physical delivery or novation or by endorsement and delivery, as the case may be, to Hikal to the end and intent that the property and benefit therein passes to Hikal with effect from the Appointed Date.

4.1.3 With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of Acoris pertaining to the Research Business Undertaking shall also, under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to Hikal, so as to become from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of Hikal and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.

4.1.4 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory and other licenses, permissions, registrations or approvals or consents held by Acoris required to carry on operations of the Research Business Undertaking shall stand vested in or transferred to Hikal without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of Hikal and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, certificates, authorities (including for the operation of Bank accounts), power of attorneys given by, issued to or executed in favour of Acoris and the rights and benefits under the same shall , in so far as it relates to the Research Business Undertaking and consents shall vest in and become available to Hikal as if they were originally obtained by Hikal. In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by Acoris relating to the Research Business Undertaking, are concerned, the same shall vest with and be available to Hikal on the same terms and conditions as applicable to Acoris, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to Hikal.

4.1.5 The transfer and vesting of the Research Business Undertaking as aforesaid shall be subject to the existing securities, charges, mortgages and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof relatable to the Research Business Undertaking to the extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the Research Business Undertaking.

4.1.6 It is clarified that if any assets, (estate, claims, rights, title, interest in, or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever in relation to any of the Research Business Undertaking which Acoris owns or to which Acoris is a party and which cannot be

transferred to Hikal for any reason whatsoever, Acoris shall hold such assets or contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of Hikal to which the Research Business Undertaking is being transferred in terms of this scheme, in so far as it is permissible so to do, till such time as the transfer is effected.

4.2 Section 2 of the Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income-tax Act, 1961. If any terms or provisions of the Scheme is/are inconsistent with the provisions of Section 2(19AA) of the Income-tax Act, 1961, the provisions of Section 2 (19AA) of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(19AA) of the Income-Tax Act, 1961; such modification to not affect other parts of the Scheme.

5 CONSIDERATION

5.1 Since the entire share capital of Acoris is held by Hikal, no consideration shall be payable / dischargeable for the vesting of the Research Business Undertaking .

6 ACCOUNTING TREATMENT

6.1 IN THE BOOKS OF ACORIS

6.1.1 The book value of all assets and liabilities pertaining to the Research Business Undertaking which cease to be the assets and liabilities of Acoris shall be reduced by Acoris at their book values. The difference that is the excess of the book value of assets pertaining to the Research Business Undertaking and demerged from Acoris pursuant to this Scheme over the book value of the liabilities pertaining to the Research Business Undertaking and demerged from Acoris pursuant to this Scheme shall, be debited/ credited to Goodwill Account / Capital Reserve Account, as the case may be.

6.2 IN THE BOOKS OF HIKAL

6.2.1 Hikal shall record the assets and liabilities pertaining to Research Business Undertaking, at the respective book values as appearing in the books of Acoris as on the Appointed Date;

6.2.2 The difference between the value of assets and liabilities recorded by Hikal, after giving effect to reduction in the carrying value of investments in Acoris, shall be adjusted against the Securities Premium Account of Hikal. In case of there being an excess, the same shall be credited to and carried forward as Capital Reserve.

6.2.3 The application and reduction, if any, of the Securities Premium Account of Hikal as above, shall be effected as an integral part of the Scheme itself in accordance with the provisions of Sections 78 read with Sections 100 to 103 of the Act. However as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid-up share capital, the provisions of Section 101 of the Act are not applicable. Therefore no order under section 102 of the Act confirming the reduction shall be required.

6.2.4 In case of any differences in accounting policies between Acoris and Hikal, the impact of the same till the Appointed Date will be quantified and adjusted in the General Reserve Account of Hikal.

7 CONDUCT OF BUSINESS AND PROPERTY

7.1 During the period between the date of filing of the Scheme with the High Court and the Effective Date:

7.1.1 Acoris, in relation to the Research Business Undertaking shall carry on its business and activities with reasonable diligence and business prudence and shall not alter or diversify its respective businesses nor venture into any new businesses, nor alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof and shall not, undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments

either for itself or on behalf of its subsidiaries or group companies or any third party, save and except in each case in the following circumstances:

i. if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with the High Court of Judicature at Bombay; or

ii. if the same is expressly permitted by this Scheme; or

iii. if written consent of the Board of Director of Hikal has been obtained; or

iv. pursuant to any pre-existing obligation undertaken prior to the date of filing of the Scheme.

7.1.2 Hikal shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government(s) and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which Hikal, may require to carry on the Research Business Undertaking.

7.1.3 Acoris and Hikal shall not make any change in their respective capital structure either by any increase, (by issue of equity or shares on a rights basis, bonus shares, convertible securities or otherwise) decrease, reduction, reclassification, sub-division or consolidation, re-organisation, or in any other manner except by mutual consent of the respective Boards of Directors of Acoris and Hikal or except as may be expressly permitted under this Scheme

8 LEGAL PROCEEDINGS

8.1 If any suit, appeal or other proceedings relating to rights and obligations by or against Acoris, in relation to the Research Business Undertaking is pending and/or arising before the effective date, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings shall be continued, prosecuted and enforced by or against Hikal, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Acoris.

8.2 Save and except the proceedings referred to in sub clause 8.1, all other proceedings shall be continued by or against Acoris. After the effective date, if any proceedings are taken against Acoris in respect of the matters specified in sub clause 8.1 above, it shall defend the same at the cost of Hikal, and Hikal shall reimburse and indemnify Acoris against all liabilities and obligations incurred by Acoris thereof.

8.3 Hikal undertakes to have all proceedings referred to in sub clause 8.1 and 8.2 above transferred to its names and to have the same continued, prosecuted and enforced by or against Hikal to the exclusion of Acoris.

8.4 On and from the Effective Date, Hikal shall and may, if required, initiate any legal proceedings in relation to the contractual rights, title, interest, obligations or liabilities of any nature of Acoris pertaining to the Research Business Undertaking in the same manner and to the same extent as it would or might have been initiated by Acoris.

9 CONTRACTS, DEEDS AND OTHER INSTRUMENTS

Subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatever nature to which, any of Acoris, in relation to the Research Business Undertaking is a party subsisting or having effect immediately before the Scheme coming into effect shall be in full force and effect against or in favour of Hikal, and may be enforced as if, instead of Acoris, in relation to the Research Business Undertaking, Hikal had been a party thereto.

10 STAFF, WORKMEN & EMPLOYEES

10.1 Upon coming into effect of this Scheme, all staff, workmen and employees of Acoris, engaged in or in relation to the Research Business Undertaking and who are in such employment on the Effective Date shall become staff,

workmen and employees of Hikal without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with Hikal shall not be less favourable than those applicable to them with reference to Acoris, in relation to the Research Business Undertaking on the Effective Date.

10.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund and/or Pension Fund or any other Special Fund or Trusts created or existing for the benefit of the staff, workmen and employees of Acoris (collectively referred to as "Funds"), in relation to the Research Business Undertaking shall become the trusts/ funds of Hikal for all purposes whatsoever in relation to the administration or operation of such Funds or in relation to the obligation to make contributions to the said Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of Acoris, in relation to the Research Business Undertaking in relation to such Funds shall become those of Hikal. It is clarified that the services of the staff, workmen and employees of Acoris, in relation to the Research Business Undertaking will be treated as having been continuous for the purpose of the said Funds. In the event that Hikal does not have its own fund with respect to any such matters, Hikal shall create its own funds to which the contributions pertaining to the employees of Acoris shall be transferred.

11 PERMISSIONS

11.1 Any statutory, regulatory or such other licenses, permissions, approvals or consents forming the basis of or required to carry on the operations of Acoris, in relation to the Research Business Undertaking, shall stand vested in or transferred to Hikal without any further act or deed and shall be appropriately mutated by the statutory or regulatory Authorities, Government body or by any other person concerned in favour of Hikal upon the vesting and transfer of the Research Business Undertaking pursuant to this Scheme. In so far as they relate to the Research Business Undertaking, the benefit of all statutory and regulatory permissions, licenses, environmental approvals and consents, sales tax registrations or other licenses and consents shall vest in and become available to Hikal pursuant to this Scheme. In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by Acoris, in relation to the Research Business Undertaking, are concerned, the same shall vest with and be available to Hikal, on the same terms and conditions. In particular and without prejudice to the generality of the foregoing, benefit of all balances relating to CENVAT or Service Tax or VAT being balances pertaining to the Research Business Undertaking, shall stand transferred to and vested in Hikal as if the transaction giving rise to the said balance or credit was a transaction carried out by Hikal. The assets and properties pertaining to the Research Business Undertaking of Acoris, shall not be required to be and shall not be physically transferred from any premises or location relating to the Research Business Undertaking and consequently or otherwise, there shall be no withdrawal of or obligation to pay or refund any CENVAT, VAT, Service Tax or other tax or duty pursuant to vesting of the Research Business Undertaking in Hikal in accordance with the Scheme.

12 SECURITY

12.1 It is clarified that unless otherwise determined by the Board of Directors of Hikal, in so far as the assets comprising the Research Business Undertaking of Acoris are concerned, the same shall not be available as security in relation to the existing borrowings or obligations of Hikal, if any & the same shall continue to be available as security with respect to the existing borrowings of Acoris.

SECTION 3

OTHER TERMS AND CONDITIONS

13. AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION

Upon coming into effect of the Scheme, the following clause shall be inserted in the memorandum of association of Hikal

1A *To establish a well equipped state-of-art Research And Development centre to carry on Formulations and Analytical Development and preparative experimental and research work for promoting and developing drugs, pharmaceuticals and fine chemicals healthcare preparation of all kinds including Allopathym Ayurvedic, Homeopathic, Unani, Siddha & Biochemic Products & also to improve the existing products, patents, rights in connection with the activities of the company to work, develop, license, sell or otherwise deal with any inventions in which the company is interested as owner licensor or otherwise.*

1B *To apply for, purchase or otherwise acquire and protect, prolong and renew trade marks, trade names, designs, secret processes, patent rights, " Brevets d'invention", licenses, protections and concessions which may appear likely to be advantageous or useful for the Company and to spend money in experimenting and testing improving or seeking to improve any patents, inventions or rights, which the Company may be acquire or propose to acquire or develop."*

The approval to the Scheme by the shareholders under section 391 and sanction to the Scheme by the High Court shall be deemed to be due compliance of the provisions of Section 17, 149 and all other relevant and applicable provisions of the Act for the amendment to the object clause and no separate resolution by shareholders shall be required.

14. APPLICATION TO THE HIGH COURT OR SUCH OTHER COMPETENT AUTHORITY

The Parties shall with all reasonable dispatch, make applications to the High Court, for obtaining their sanction to this Scheme under Sections 391 to 394 read with sections 78, 100 to 103 of the Act.

15. MODIFICATION / AMENDMENT TO THE SCHEME

The Parties by their respective Board of Directors or any committee/ person duly authorised by the Board of Directors in this regard may make or consent to, on behalf of all persons concerned, any modifications or amendments to the Scheme or to any conditions or limitations that the Court or any other authority may deem fit to direct or impose and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect.

16. GENERAL TERMS

It is clarified that all taxes (direct or indirect), cess, fee or other charges payable or any refunds and claims receivable by Acoris relating to the Research Business Undertaking, from the Appointed Date onwards shall, for all purposes, be treated as the tax liabilities or refunds and claims of Hikal. Accordingly, upon the Scheme becoming effective, Hikal is expressly permitted to revise its tax returns / other documents, and to claim refunds/ credits, pursuant to the provisions of this Scheme.

17. CONDITIONS

The Scheme is and shall be conditional upon and subject to the following :

(a) The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.

(b) The Scheme being approved by the respective requisite majorities in number and value of such classes of persons including the members and creditors of the Parties as may be directed by the Hon'able High Court of Judicature at Bombay and/or any other competent authority as may be applicable.

(c) The Scheme being sanctioned by the Hon'ble High Court of Judicature at Bombay and / or any other competent authority, as may be applicable under Sections 391 to 394 read with sections 78, 100 to 103 of the Act.

(d) Certified copies of the Orders of the Hon'ble High Court or such other competent authority, as may be applicable, sanctioning this Scheme being filed with the Registrar of Companies, Maharashtra.

18. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

In the event of any of the said sanctions and approvals referred to in the preceding Clause 17 not being obtained and / or the Scheme not being sanctioned by the Jurisdictional High Courts or such other competent authority, as may be applicable, and / or the Orders not being passed as aforesaid before 31st day of March, 2014 or within such further period or periods as may be agreed upon by the respective Board of Directors of the Parties (and which the Board of Directors of the companies are hereby empowered and authorised to agree to and extend the Scheme from time to time without any limitation), this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. In such a case, each party shall bear and pay its respective costs, charges and expenses for and /or in connection with the Scheme.

19. COSTS

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

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 787 OF 2011

In the matter of the Companies Act, 1956 (1 of 1956)
And:
In the matter of Sections 391 to 394 read with
Sections 78, 100 to 103 of the Companies Act, 1956
And
In the matter of Scheme of Arrangement
Between
Acoris Research Limited ('Acoris' or 'the Transferor Company')
And
Hikal Limited ('Hikal' or 'the Transferee Company')
And
their respective shareholders and creditors

Hikal Limited,
a company incorporated under the)
provisions of Companies Act, 1956 having)
its Registered Office at 717/718, Maker)
Chambers V, Nariman Point, Mumbai,)
Maharashtra 400021.) ……..Applicant Company

F O R M O F P R O X Y

I/ We_____, the undersigned, being the Member(s) of Hikal Limited, the Applicant Company do hereby appoint Mr./ Ms. _____ of _____ and failing him/her _____ of _____ as my/our proxy, to act for me/us at the meeting of the Members to be held at Sunflower Suite No. 1&2, 30th Floor, World Trade Centre 1, Cuffe Parade, Mumbai 400005 on Thursday, 2nd day of February, 2012 at 11 a.m. for the purpose of considering and, if thought fit, approving, with or without modification, the arrangement embodied in the proposed Scheme of Arrangement between Acoris Research Limited and Hikal Limited and their respective shareholders and creditors and at such meeting, and any adjournment / adjournments thereof, to vote, for me/us and in my/ our name(s) _____ (herein, if for insert 'FOR', if against insert 'AGAINST' and in the later case strike out the words "either with or without modifications" before the word "arrangement") the said arrangement embodied in the Scheme of Arrangement either with or without modifications as my/our proxy may approve.

*Strike out what is not necessary

Dated this ____ day of _____, 2012
Name _____
Address _____
_____
_____
Reg. Folio No._____
Client ID No. _____
DP ID No. _____ Signature _____
No. of shares: _____
Signatures of
Shareholder(s) Sole / First Holder:
Second Holder:
Third Holder:
Signature of Proxy Proxy:

Note:
1. Proxy need not be a member.
2. The Proxy must be deposited at the Registered Office of the Company at 717/718, Maker Chambers V, Nariman Point, Mumbai, Maharashtra 400021 at least 48 hours before the time for holding the meeting. The proxy need not be a member of Hikal Limited.
3. All alterations made in the form of Proxy should be initialed.
4. In case of multiple proxies, the proxy later in time shall be accepted.

HIKAL LIMITED

Registered: 717/718, Maker Chambers V, Nariman Point, Mumbai, Maharashtra 400021

ATTENDANCE SLIP

COURT CONVENED MEETING OF MEMBERS ON THURSDAY, 2nd DAY OF FEBRUARY, 2012

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

I/We hereby record my/our presence at the Meeting of the Members of the Company, convened pursuant to the Order dated 23rd day of December, 2011 of the Hon'ble High Court of Judicature of Bombay, at Sunflower Suite No. 1 & 2, 30th Floor, World Trade Centre 1, Cuffe Parade, Mumbai 400005 on Thursday, 2nd day of February, 2012 at 11 a.m.

Name and Address of Member **(IN BLOCK LETTERS):** _____

_____

Signature : _____

Reg.Folio No. : _____

Client ID : _____

D.P. I.D. : _____

No. of Equity Shares : _____

Name of the Proxy : _____

Signature : _____

NOTE:

Members attending the Meeting in person or by Proxy are requested to complete the Attendance Slip and hand it over at the entrance of the meeting hall.

HIKAL LIMITED

Regd. Office: 717/718, Maker Chambers V, Nariman Point, Mumbai, Maharashtra 400021

NOTICE OF THE EXTRA ORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of the Members of Hikal Limited will be held at Sunflower Suite No. 1&2, 30th Floor, World Trade Centre 1, Cuffe Parade, Mumbai 400005 on Thursday, 2nd day of February, 2012 at 11. 45 a.m. or immediately after the conclusion of the Court Convened Meeting of the Members, whichever is later, to be held on the directions of the Hon'ble Bombay High Court for approving the Scheme of Arrangement under Sections 391 to 394 read with Sections 78, 100 to 103 of the Companies Act, 1956 between Acoris Research Limited and Hikal Limited and their respective shareholders and creditors ('Scheme' or 'Scheme of Arrangement') for the purpose of transacting the following Special Resolution:

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 78, 100 to 103 and all other applicable provisions, if any, of the Companies Act, 1956 (the "Act") (including any statutory modification(s) or re-enactment thereof, for the time being in force), and Articles of Association of the Company and subject to sanction of the Scheme of Arrangement between Acoris Research Limited and Hikal Limited and their respective shareholders and creditors ('the Scheme') by the Hon'ble High Court of Judicature at Bombay under Sections 391 to 394 read with Sections 78 and 100 to 103 and other applicable provisions of the Companies Act, 1956 and subject to the same becoming effective and further subject to such conditions as may be prescribed while granting such approvals, consents, permissions, sanctions, which the Board of Directors (hereinafter referred to as "Board" which term shall include any Committee which the Board may have constituted or may thereafter constitute or authorise and/or any Director or any individual delegated with powers necessary for the purpose) of the Company may agree and accept, consent of the members be and is hereby accorded for utilization and reduction of Securities Premium account in terms of the Scheme and consequently, the Company is not required to add word "And Reduced" as suffix to its name."

RESOLVED FURTHER that for the purpose of giving effect to the above Resolution and for removal of any difficulties or doubts, the Board of Directors of the Company (hereinafter referred to as 'the Board', which term shall be deemed to include any Committee or person, which the Board may constitute/ nominate/ authorise to exercise its powers conferred under this Resolution) be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper."

NOTE:

(a) The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the business set out above is annexed hereto.

(b) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.

By order of the Board of Directors
For Hikal Limited
Sd/-
Sham V Wahalekar
Company Secretary

Mumbai, 26th day of December, 2011

Registered office:
717/718, Maker Chambers V,
Nariman Point, Mumbai,
Maharashtra 400021.

EXPLANATORY STATEMENT

The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 ("the Act"), for the accompanying notice is as under:

1. The Board of Directors of Hikal Limited ('Hikal' or 'the Company') in their meeting on 10th November 2011 have approved the Scheme of Arrangement between Acoris Research Limited ('Acoris' or 'the Transferor Company') and Hikal Limited ('Hikal' or 'the Transferee Company') and their respective shareholders and creditors ('the Scheme').

2. The proposed Scheme provides for the demerger of Research Business Undertaking of Acoris with the Company.

3. The entire share capital Acoris Research Limited is held by Hikal and its nominees

4. Hikal shall record the assets and liabilities pertaining to Research Business Undertaking, at the respective book values as appearing in the books of Acoris as on the Appointed Date. The difference between the value of assets and liabilities recorded by Hikal, after giving effect to reduction in the carrying value of investments in Acoris, shall be adjusted against the Securities Premium Account of Hikal, if required. In case of there being an excess, the same shall be credited to and carried forward as Capital Reserve.

5. The application and reduction, if any, of the Securities Premium Account of Hikal as above, shall be effected as an integral part of the Scheme itself in accordance with the provisions of Sections 78 read with Sections 100 to 103 of the Act. The Scheme is subject to the confirmation of the Hon'ble High Court of Judicature at Bombay and/or approval of such other regulatory authority as may be required according to the laws in force.

6. The detailed features of the Scheme, approved by the Board of Directors of the Company in its meeting held on November 10, 2011, including the pre and post Scheme capital structure and shareholding pattern, have been appropriately described in the Explanatory Statement under Section 393 of the Companies Act, 1956, which has been enclosed along with the notice convening the meeting of the Equity Shareholders pursuant to Order made by the High Court of Judicature at Bombay on the 23rd day of December, 2011.

7. The proposed restructuring will not cause any prejudice to the creditors of the Company since it does not involve any financial outlay/outgo on the part of the Company. For the sake of clarity, it is specified that the reduction of capital does not involve either the diminution of any liability in respect of unpaid capital or the payment to any shareholder of any paid-up capital. Further, the proposed restructuring would not in any way adversely affect the ordinary operations of the Company or the ability of the Company to honor its commitments or to pay its debts in the ordinary course of business.

8. The Directors recommend the above Resolutions to the Equity Shareholders for their approval.

9. None of the Directors and Manager of the Company are interested in passing of the proposed Resolution, except to the extent of their respective holding of equity shares of the Company.

By order of the Board of Directors
For Hikal Limited
Sd/-
Sham V Wahalekar
Company Secretary

Mumbai, 26th day of December, 2011

Registered office:
717/718, Maker Chambers V,
Nariman Point, Mumbai,
Maharashtra 400021.

HIKAL LIMITED

Regd. Office: 717/718, Maker Chambers V, Nariman Point, Mumbai, Maharashtra 400021

FORM OF PROXY

I/We, the undersigned Equity Shareholder/s of Hikal Limited hereby appoint _____ of _____ and failing him/her, _____ of _____ as my/our proxy, to act for me/us at the meeting of the Equity Shareholders of the Company to be held at Sunflower Suite No. 1&2, 30th Floor, World Trade Centre 1, Cuffe Parade, Mumbai 400005 on Thursday, 2nd day of February, 2012 at 11.45 a.m. or immediately after the conclusion of the Court Convened Meeting of the Members, whichever is later, for the purpose of considering, and, it thought fit, approving with or without modification, the resolutions as set forth in the Notice and at such meeting and at any adjournment or adjournments thereof, to vote for me/us and in my/our name _____ _____, (here if for , insert "for" if against, insert "against" and in the latter case, strike out the words either 'with or without modification' before the word resolutions), the said resolutions as my/ our proxy may approve.

Dated this _____ day of January, 2012

Name:

Address:

Folio No:

DP ID No:

Client ID No:

Signature .....

Affix Re.1 revenue stamp

Notes:

(1) Proxy need not be a member.

(2) The Proxy must be deposited at the Registered Office of the Company at 717/718, Maker Chambers V, Nariman Point, Mumbai, Maharashtra 400021 at least 48 hours before the time for holding the meeting. The proxy need not be a member of Hikal Limited.

(3) All alterations made in the form of Proxy should be initialed.

(4) In case of multiple proxies, the proxy later in time shall be accepted.

HIKAL LIMITED

Regd. Office: 717/718, Maker Chambers V, Nariman Point, Mumbai, Maharashtra 400021

ATTENDANCE SLIP

Name of the Equity Shareholder/ proxy holder:

_____ _____

I/We hereby record my/our presence at the EXTRAORDINARY GENERAL MEETING of the Equity Shareholders of the Company to be held at Sunflower Suite No. 1&2, 30th Floor, World Trade Centre 1, Cuffe Parade, Mumbai 400005 on Thursday, 2nd day of February, 2012 at 11.45 a.m. or immediately after the conclusion of the Court Convened Meeting of the Members, whichever is later

Dated this 2nd day of February, 2012

Signature of the Attending Member / Proxy : _____

Note:

1. Equity Shareholder/ proxy holder(s) are requested to bring the Attendance slip with them when they come to the meeting and hand it over at the gate after affixing their signature on it.

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