

IPCA LABORATORIES LIMITED

Registered Office : 48, Kandivli Industrial Estate,
Kandivli (West), Mumbai - 400 067.

COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF IPCA LABORATORIES LIMITED

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**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO.719 OF 2011**

In the matter of the Companies Act, 1956 (1 of 1956);

AND

In the matter of Sections 391 to 394 of the Companies Act, 1956;

AND

In the matter of Scheme of Amalgamation of Tonira Pharma Limited ("The Transferor Company") with Ipca Laboratories Limited ("The Transferee Company") and their Respective Shareholders

Ipca Laboratories Limited, a company incorporated under the Indian Companies Act, 1913 and having its Registered Office at 48, Kandivli Industrial Estate, Kandivli (West), Mumbai - 400067

-----Applicant Company

**NOTICE CONVENING THE MEETING OF EQUITY SHAREHOLDERS OF IPCA LABORATORIES LIMITED,
THE APPLICANT COMPANY**

To,
The Equity Shareholders of Ipca Laboratories Limited ("the Applicant Company"),

TAKE NOTICE that by an Order made on the 9th 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 Equity Shareholders of Ipca Laboratories Limited, the Applicant Company, be convened and held at Plot No. 47, Kandivli Industrial Estate, Kandivli (West), Mumbai - 400 067 on Friday, the 20th day of January, 2012 at 11.30 a.m. to transact the following business:

To consider and if thought fit, to pass with or without modification(s) the following resolution under Sections 391 to 394 of the Companies Act, 1956, for approval of arrangement embodied in the SCHEME OF AMALGAMATION of Tonira Pharma Limited, the Transferor Company with Ipca Laboratories Limited, the Transferee Company:

"RESOLVED THAT pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 ("Act") and subject to approval of the Hon'ble Bombay High Court and the Hon'ble Gujarat High Court as the case may be, the SCHEME OF AMALGAMATION of Tonira Pharma Limited, the Transferor Company with Ipca Laboratories Limited, the Transferee Company, as circulated along with the notice of the meeting, a copy of which is placed before the meeting and for the purpose of identification signed by the Chairman thereof, be and is hereby approved and agreed to.

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 deem to include any committee or any person(s) which the Board may constitute or nominate to exercise its powers, including the powers conferred under this Resolution), be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper and to settle any questions or difficulties that may arise with regard to the implementation of the above amalgamation including combination of authorised capitals, including passing of such accounting entries and/or making such adjustments in the books of account as considered necessary to give effect to the above Resolution or to carry out such modifications/directions as may be ordered by the Hon'ble High Courts of Judicature at Bombay and at Ahmedabad or such other competent authority to implement the aforesaid Resolution."

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the Equity Shareholders of Ipca Laboratories Limited, the Applicant Company will be held at Plot No. 47, Kandivli Industrial Estate, Kandivli (West), Mumbai - 400 067 on Friday, the 20th day of January, 2012 at 11.30 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 proxy (ies) in the prescribed form, duly signed by you or your authorized representative, is deposited at the Registered Office of the Applicant Company at 48, Kandivli Industrial Estate, Kandivli (West), Mumbai- 400067, not later than 48 hours before the said meeting.

The Hon'ble High Court has appointed Mr. Ajit Kumar Jain, Joint Managing Director, failing him Mr. Prashant Godha, Executive Director, failing him Mr. Harish Kamath, Company Secretary of the Applicant Company, to be the Chairman of the said meeting.

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

Dated 12th December, 2011

Registered Office:
48, Kandivli Industrial Estate,
Kandivli (West), Mumbai- 400067

sd/
A. K. Jain
Chairman appointed for the meeting

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 Equity Shareholders meeting. The representative of a body corporate which is a registered Equity Shareholder of the Applicant Company may attend and vote at the Equity Shareholders meeting provided a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate is deposited at the Registered Office of the Applicant Company not later than 48 hours before the meeting authorizing such representative to attend and vote at the Equity Shareholders meeting.

Enclosures: As above

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
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In the matter of the Companies Act, 1956(1 of 1956);

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In the matter of Scheme of Amalgamation of Tonira Pharma Limited ("The Transferor Company") with Ipca Laboratories Limited ("The Transferee Company") and their Respective Shareholders

Ipca Laboratories Limited, a company incorporated under the Indian Companies Act, 1913 and having its Registered Office at 48, Kandivli Industrial Estate, Kandivli (West), Mumbai- 400067

-----Applicant Company

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

1. Pursuant to the Order dated 9th day of December, 2011 passed by the Hon'ble High Court of Judicature at Bombay in the Company Summons for Direction referred to herein above, a meeting of the Equity Shareholders of Ipca Laboratories Limited, the Applicant Company (hereinafter referred to as "the Transferee Company"), is being convened on Friday, the 20th day of January, 2012 at 11.30 a.m. for the purpose of considering and, if thought fit, approving, with or without modification, the proposed Scheme of Amalgamation (hereinafter referred to as "the Scheme") of Tonira Pharma Limited (hereinafter referred to as "the Transferor Company") with Ipca Laboratories Limited, the Applicant Company (hereinafter referred to as "the Transferee Company") including combination of authorised share capital of Rs.12,00,00,000 (Rupees Twelve Crores Only) comprising of 1,20,00,000 equity shares of Rs.10/- each of Tonira Pharma Limited (the Transferor Company) with the authorized share capital of Ipca Laboratories Limited (the Transferee Company) as provided in the Scheme, which is annexed to the Notice. A Certified Copy of the said Order will be available for inspection at the Registered Office of the Company at 48, Kandivli Industrial Estate, Kandivli (West), Mumbai- 400067 during the office hours on any working day (except Saturday, Sunday and Public Holiday) of the Company from 11.00 a.m. to 1.00 p.m.
2. The Scheme envisages amalgamation of Tonira Pharma Limited with Ipca Laboratories Limited pursuant to Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 ("the Act"). The Boards of Directors of Ipca Laboratories Limited and Tonira Pharma Limited have approved the Scheme of Amalgamation at their respective meetings, both held on 17th September, 2011 and the Directors of the Applicant Company recommend the same for the approval of the Equity Shareholders of the Applicant Company.
3. In this statement, Ipca Laboratories Limited is hereinafter referred to as 'ILL' or 'the Applicant Company' or 'the Transferee Company' and Tonira Pharma Limited is hereinafter referred to as 'TPL' or 'the Transferor Company.' The other definitions contained in the Scheme shall apply to this Explanatory Statement also.
4. The background of both the companies involved in the Scheme are as under:

4.1 Ipca Laboratories Limited ("ILL" or "the Transferee Company):

- a) ILL was incorporated on the 19th day of October, 1949 under the Indian Companies Act, 1913 under the name and style of 'THE INDIAN PHARMACEUTICAL COMBINE ASSOCIATION LIMITED'. The name of the Company was changed to 'IPCALABORATORIES LIMITED' vide Certificate of Incorporation dated 7th January, 1994.
- b) The Registered Office of ILL is situated at 48, Kandivli Industrial Estate, Kandivli (West), Mumbai - 400067. The equity shares of ILL are listed on National Stock Exchange of India Limited and Bombay Stock Exchange Limited.
- c) The share capital of ILL as per latest audited Balance Sheet as at March 31, 2011 was as under:

Particulars	Amount (Rs.)
Authorised Capital 22,50,00,000 Equity Shares of Rs. 2/- each	45,00,00,000
Issued and Subscribed Capital of the company 12,69,87,500 Equity Shares of Rs.2/- each	25,39,75,000
Paid up Capital of the company 12,57,06,405 Equity Shares of Rs.2/- each fully paid up	25,14,12,810

There is no change in the issued, subscribed and paid-up share capital of ILL subsequent to the Balance Sheet date.

d) The summarized Balance Sheet of ILL for last three years is as follows:

PARTICULARS	Amount (Rupees in Crores)		
	31.03.2011	31.03.2010	31.03.2009
LIABILITIES			
Share Capital	25.14	25.04	24.99
Share Application Money Pending Allotment	—	0.01	0.03
Reserves & Surplus	1028.72	849.82	613.52
Secured Loans	427.25	364.08	331.04
Unsecured Loans	103.56	89.90	119.13
Deferred Tax Liability	80.73	79.31	65.11
TOTAL	1665.40	1408.16	1153.82
ASSETS			
Fixed Assets	810.97	674.75	579.72
Investments	48.94	49.42	57.03
Net Current Assets	805.49	683.99	517.07
TOTAL	1665.40	1408.16	1153.82

e) The main objects specified in the Memorandum of Association of ILL, inter alia, are as follows:

1. To carry on business as manufacturers of and dealers in all kinds of medicines, drugs, oils and chemicals, pharmaceutical, anatomical, scientific and surgical apparatus, instruments and appliances, thermometers, stethoscopes and other articles required by laboratories, hospitals and medical practitioners.

f) ILL is presently engaged in the business of Manufacturing / sales of Pharmaceuticals.

4.2. Tonira Pharma Limited ("TPL" or "the Transferor Company):

- a) Tonira Pharma Limited ("TPL" or "the Transferor Company") was incorporated in the State of Gujarat on 13th day of August, 1992 under the Companies Act, 1956 under the name and style of 'Tonira Pharma Private Limited'. The Transferor Company was subsequently converted into a Public Limited Company and the name of the Transferor Company was changed to 'Tonira Pharma Limited'.
- b) The Registered Office of TPL is situated at Plot No.23-24, G.I.D.C. Estate, Nandesari - 391 340, Dist. Vadodara in the State of Gujarat. The equity shares of TPL are listed on Bombay Stock Exchange Limited.
- c) The Share Capital of TPL, as per the latest Audited Balance Sheet as at March 31, 2011 was as under:

Particulars	Amount (Rs.)
Authorised Capital 1,20,00,000 Equity Shares of Rs 10/- each	12,00,00,000
Issued, Subscribed & Paid up Capital 79,44,200 Equity Shares of Rs 10/- each	7,94,42,000

There is no change in the issued, subscribed and paid-up share capital of TPL subsequent to the Balance Sheet date.

d) The summarized Balance Sheet of TPL for last three years is as follows

Particulars	31.03.2011	31.03.2010	31.03.2009
LIABILITIES			
Share Capital	7.94	7.94	7.94
Reserves & Surplus	4.32	6.40	5.25
Secured Loans	18.76	21.20	16.67
Unsecured Loans	17.97	10.09	10.35
Deferred Tax Liability	(0.87)	(0.74)	(1.06)
TOTAL	48.12	44.89	39.15
ASSETS			
Fixed Assets	24.62	25.10	24.22
Investments	0.13	0.13	0.04
Net Current Assets	23.37	19.66	14.73
Miscellaneous Expenditure	Nil	Nil	0.16
TOTAL	48.12	44.89	39.15

e) The main objects specified in the Memorandum of Association of TPL, inter alia, are as follows:

- (1) To take over the running business of M/s. Pharmachem Laboratories situated at 234/2808, Satyam Apartment, Sola Road, Naranpura, Ahmedabad with all assets and liabilities together with goodwill as may be decided by the Board of Directors of the Company. The business of the firm as manufacturing of bulk drugs, drugs intermediates, fine chemicals.
- (2) To carry on business as manufacturers, formulators, processors, producers, makers, buyers, sellers, re-sellers, importers, exporters, distributors, suppliers, fermentators, distillers and dealers in all types form (solid, liquid and gaseous) and of all kinds of and pharmaceutical and bulk drug chemicals and their raw materials intermediates, derivatives, suspensions, gels, powders, formulations, downstreams, ingredients and by-products and their related preparations articles and products.

f) TPL is presently engaged in the business of Manufacturing / sales of Pharmaceutical products.

BACKGROUND AND RATIONALE FOR THE AMALGAMATION:

5. The Transferor Company and the Applicant Company are under the same management. The management is of the opinion that the merger will lead to synergies of operations and more particularly the following benefits:

The main benefits of the Amalgamation of the Transferor Company with the Transferee Company will be as follows:

- (a) The Transferor Company and the Transferee Company are in the business of manufacturing/marketing of drugs and pharmaceuticals.
- (b) Both the Companies are under the same Management and it would be advantageous to combine the activities and operations in a single Company. The amalgamation would provide synergistic linkages besides economies in costs by combining the total business functions and the related activities and operations and thus contribute to the profitability of the amalgamated Company.
- (c) The amalgamated Company will have the benefit of the combined assets and cash flows of the two companies. The combined resources of the amalgamated company will be conducive to enhance its capability to face competition in the market place more effectively.
- (d) It will be conducive to better and more efficient and economical control and conduct of business of the Companies.
- (e) With the enhanced capabilities and resources at its disposal, the amalgamated Company will have greater flexibility to compete more effectively.
- (f) A larger and growing Company will mean enhanced financial and growth prospects for the people and organizations connected with the Company.

6. The Scheme was placed before the Boards of Directors of ILL and TPL at their respective meetings held on 17th September, 2011 whereat the Valuation Report of G. M. Kapadia & Co., Chartered Accountants and Independent Valuers and Natvarlal Vepari & Co, Chartered Accountants and statutory Auditors of ILL was also placed. The Valuation Report of G.M.Kapadia & Co and Natvarlal Vepari & Co recommended the following share exchange ratio:

"For every 100 (One Hundred) fully paid up equity shares of Rs 10/- each in TPL, 6 (Six) fully paid up equity shares of Rs 2/- each of ILL".

The valuers have arrived at the Share Exchange Ratio after using commonly used and accepted methods for determining the fair value.

7. The Boards of Directors of both the companies, based on and relying upon the aforesaid expert advice, and on the basis of their independent evaluation and judgment, came to the conclusion that the proposed Share Exchange Ratio is fair and reasonable and decided to incorporate the same in the Scheme which was approved by them at their respective meetings held on 17th September, 2011.
8. Accordingly, the Board of Directors of ILL vide its resolution dated 17th September, 2011 approved the Scheme of Amalgamation of Tonira Pharma Limited with Ipca Laboratories Limited and their respective Shareholders.
9. The Board of Directors of TPL has also approved the Scheme at its Board Meeting held on the 17th September, 2011.
10. The Scheme is not prejudicial to the interests of the members and creditors of ILL.
11. The salient features of the Scheme are as follows:

- a) The Scheme envisages the amalgamation of TPL with ILL pursuant to Sections 391 to 394 and other relevant provisions of the Act on a going concern basis in the manner provided for in the Scheme.
- b) The Appointed Date for the Scheme means the 1st day of April, 2011 or such other date as the High Court or such other competent authority, as the case may be, may direct.
- c) The Effective Date means the last of the dates on which the certified or authenticated copies of the Orders of the High Court of Judicature at Bombay and of the High Court of Judicature at Ahmedabad (Gujarat) sanctioning the Scheme are filed with the Registrar of Companies, Maharashtra at Mumbai and the Registrar of Companies, Gujarat at Ahmedabad, respectively.
- d) Upon coming into effect of the Scheme and with effect from the Appointed Date, TPL shall be vested in and /or be deemed to have been vested in and amalgamated in ILL, as a going concern, without any further deed or act, together with all its assets, liabilities, properties, rights, benefits and interest therein, subject to existing charges thereon in favour of banks and financial institutions or otherwise, as the case may be and subject to the provisions of the Scheme in accordance with Sections 391 to 394 of the Act and all other applicable provisions of law, if any.
- e) Upon this Scheme becoming effective, in consideration for the amalgamation, ILL shall, without any further application or deed, issue and allot to all shareholders of TPL (or to his/her heirs, executors, administrators or the successors-in-title, as the case may be), fully paid up shares, whose names appear in the Register of Members and/or on records of the Depositories as the case may be, on the Record Date in the following ratio:

"For every 100 (One Hundred) fully paid up equity shares of Rs 10/- each in TPL, 6 (Six) fully paid up equity shares of Rs 2/- each of ILL".

No shares of ILL shall be issued or allotted in respect of the holding of ILL in TPL.

- f) On the Scheme becoming effective, the accounting for the amalgamation would be done in accordance with the "Pooling of Interest Method" referred to in Accounting Standard 14- Accounting for amalgamation (AS 14). Accordingly, ILL shall account for the Scheme in its books of accounts with effect from the Appointed Date as under:
 1. With effect from the Appointed Date, all assets and liabilities appearing in the books of accounts of TPL shall stand transferred to and vested in ILL, as the case may be pursuant to the Scheme and shall be recorded by ILL at their respective book values.
 2. ILL shall credit to the Share Capital Account in its books of account, the aggregate face value of the New Equity Shares issued and allotted under the Scheme to the equity shareholders of TPL pursuant to this Scheme.

3. The difference between the book value of net assets of TPL transferred to ILL, pursuant to the Order of the High Courts or such other competent authority, as the case may be and the value of New Equity Shares allotted by ILL (as aforesaid), after adjusting the value of shares held by ILL in TPL which are being cancelled under this Scheme, shall be credited to Capital Reserve Account or debited to Goodwill Account, as the case may be.
4. Any inter-company balance(s) will stand cancelled.
- g) Upon sanction of this Scheme and from the date of Scheme becoming effective, the authorised share capital of ILL shall automatically stand increased without any further act, instrument or deed on the part of ILL including payment of stamp duty and fees paid to Registrar of Companies, by the Authorised Share Capital of Transferor Company amounting to Rs.12,00,00,000/- (Rupees Twelve Crores Only) comprising of 1,20,00,000 equity shares of Rs.10/- each.
- h) New Equity Shares of ILL issued and allotted in terms of this Scheme shall be listed on the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE) subject to fulfillment of such terms and conditions as may be prescribed by NSE and BSE at the time of ILL seeking listing of New Equity Shares. After the Record Date, the equity shares of TPL will not be traded on the Stock Exchange where they are presently listed.
- i) On the Scheme becoming effective, TPL shall stand dissolved without being wound-up.
- j) In the event of the Scheme being sanctioned by the Hon'ble High Courts or such other competent authority as the case may be, ILL shall bear and pay all costs, charges, expenses, taxes including duties, levies in connection with the Scheme.
- k) The Scheme is conditional upon and subject to:
 - ❖ The Scheme being approved by the respective requisite majorities of the members and / or creditors of ILL and TPL, as may be directed by the jurisdictional High Courts and/or any other competent authority and it being sanctioned by such High Courts and / or any other competent authority, as may be applicable under Sections 391 to 394 of the Act;
 - ❖ All sanctions and approvals as may be required by law in respect of this Scheme being obtained; and
 - ❖ Certified or authenticated copies of the orders of the High Courts or such other competent authority, as may be applicable, sanctioning this Scheme being filed with the Registrar of Companies by TPL and ILL.

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

12. The pre-amalgamation shareholding pattern of TPL as on 31st August, 2011 is as under:

Shareholding Pattern of TPL:

	Category of shareholder	Total number of Equity shares of Rs. 10/- each	Total shareholding as a percentage of (A+B +C)
(A)	Shareholding of Promoter and Promoter Group		
1	Indian		
	Individuals/ Hindu Undivided Family	0	0
	Bodies Corporate	29,60,808	37.27%
	Total Shareholding of promoter and promoter Group (A)	29,60,808	37.27%
(B)	Public Shareholding		
1	Institutions	0	0

2	Non- institutions		
	Bodies Corporate	3,85,247	4.85%
	Individuals-		
	i. Individual Shareholder holding nominal share capital upto Rs. 1 lakh	36,15,889	45.51%
	ii. Individual Shareholder holding nominal share capital in excess Rs. 1 lakh	7,82,263	9.85%
	Any other (specify)		
	Clearing Member	52,229	0.66%
	NRIs	1,47,764	1.86%
	Sub- Total	49,83,392	62.73%
	Total Public Shareholding (B)	49,83,392	62.73%
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0
	GRAND TOTAL (A)+(B)+(C)	79,44,200	100.00%

13. The pre-amalgamation and post-amalgamation (provisional) shareholding pattern of ILL, based on shareholding as on 31st August, 2011 is as under:

Pre-amalgamation Shareholding Pattern of ILL:

	Category of shareholder	Total number of Equity shares of Rs. 2/- each	Total shareholding as a percentage of (A+B +C)
(A)	Shareholding of Promoter and Promoter Group		
1	Indian		
	Individuals/ Hindu Undivided Family	1,06,67,946	8.49%
	Bodies Corporate	4,72,19,480	37.56%
	Total Shareholding of promoter and promoter Group (A)	5,78,87,426	46.05%
(B)	Public Shareholding		
1	Institutions		
	Financial Institutions/ Banks/ Insurance Companies / FIs / Mutual Funds	4,09,65,022	32.59%
	Sub- Total (B)(1)	4,09,65,022	32.59%
2	Non- institutions		
	Bodies Corporate	1,23,73,599	9.84%
	Individuals-		
	i. Individual Shareholder holding nominal share capital upto Rs. 1 lakh	1,17,34,030	9.34%
	ii. Individual Shareholder holding nominal share capital in excess Rs. 1 lakh	16,51,137	1.31%
	Any other (specify)-		
	Clearing Member	23,220	0.02%
	Market Maker	2,318	0.00%
	HUF	7,62,129	0.61%
	Foreign Nationals-		
	NRIs	3,07,524	0.24%
	Sub- Total (B)(2)	2,68,53,957	21.36%
	Total Public Shareholding (B)= (B)(1)+(B)(2)	6,78,18,979	53.95%
	TOTAL (A)+ (B)	12,57,06,405	100.00%
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0
	GRAND TOTAL (A)+(B)+(C)	12,57,06,405	100.00%

Post-amalgamation Shareholding Pattern of ILL:

	Category of shareholder	Total number of Equity shares of Rs. 2/- each	Total shareholding as a percentage of (A+B +C)
(A)	Shareholding of Promoter and Promoter Group		
1	Indian		
	Individuals/ Hindu Undivided Family	1,06,67,946	8.46%
	Bodies Corporate	4,72,43,180	37.49%
	Total Shareholding of promoter and promoter Group (A)	5,79,11,126	45.95%
(B)	Public Shareholding		
1	Institutions		
	Financial Institutions/ Banks/FIs / Mutual Funds	4,09,65,022	32.50%
	Sub- Total (B)(1)	4,09,65,022	32.50%
2	Non- institutions		
	Bodies Corporate	1,23,96,714	9.84%
	Individuals-		
	i. Individual Shareholder holding nominal share capital upto Rs. 1 lakh	1,19,50,983	9.48%
	ii. Individual Shareholder holding nominal share capital in excess Rs. 1 lakh	16,98,073	1.35%
	Any other (specify)-		
	Clearing Member	26,354	0.02%
	Market Maker	2,318	0.00%
	HUF	7,62,129	0.60%
	Foreign Nationals-		
	NRI	3,16,390	0.26%
	Sub- Total (B)(2)	2,71,52,961	21.55%
	Total Public Shareholding (B)= (B)(1)+(B)(2)	6,81,17,983	54.05%
	TOTAL (A)+ (B)	12,60,29,109	100.00%
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0
	GRAND TOTAL (A)+(B)+(C)	12,60,29,109	100.00%

14. Pre-amalgamation capital structure of the Applicant Company (Ipca Laboratories Limited) as on 31st August, 2011 is as follows:

Particulars	Amount (Rs.)
Authorised Capital 22,50,00,000 Equity Shares of Rs. 2/- each	45,00,00,000
Issued and Subscribed Capital 12,69,87,500 Equity Shares of Rs.2/- each	25,39,75,000
Paid up Capital 12,57,06,405 Equity Shares of Rs.2/- each fully paid up	25,14,12,810

15. Post Amalgamation Capital Structure of the Applicant Company (Ipca Laboratories Limited):

Particulars	Amount (Rs.)
Authorised Capital 28,50,00,000 equity shares of Rs. 2/- each	57,00,00,000
Issued and Subscribed Capital 12,73,10,204 Equity Shares of Rs.2/- each	25,46,20,408
Paid up Capital 12,60,29,109 Equity Shares of Rs.2/- each fully paid up	25,20,58,218

16. The Directors of ILL and TPL 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 or to the extent they may be allotted shares in the Applicant/Transferee Company as a result of the Scheme. Save as aforesaid, none of the Directors of the company has any material interest in the proposed Scheme.

17 (a) The extent of the shareholding of the Directors of ILL in ILL and TPL either singly or jointly or as nominee as on 31st August, 2011 is as under:

Name Of Director	Number of Equity Shares	
	ILL	TPL
R. S. Hugar	11,000	Nil
Premchand Godha	28,51,340	Nil
M. R. Chandurkar	21,51,000	Nil
A. K. Jain	66,000	Nil
Pranay Godha	6,06,936	Nil
Prashant Godha	7,31,800	Nil
Babulal Jain	25,500	Nil
Dr. V. V. Subba Rao	12,500	Nil
A. T. Kusre	Nil	Nil

(b) The extent of the shareholding of the Directors of TPL in ILL and TPL either singly or jointly or as nominee as on 31st August, 2011 is as under:

Name of Director	Number of Equity Shares	
	ILL	TPL
Jeevanlal Nagori	65,760	Nil
Harish Kamath	10,000	Nil
Rajesh Shah	Nil	Nil
Bhailal Shah	Nil	8,409
Mahesh Bhatt	Nil	Nil
D. P. Yadava	Nil	15,306
L. K. Gupta	23,650	3,000

18. ILL has obtained no objection letters in terms of Clause 24(f) of the Listing Agreements from Bombay Stock Exchange Limited and National Stock Exchange of India Limited vide their letters dated 10th October, 2011 and 13th October, 2011 respectively.
19. No investigation proceedings are pending or are likely to be pending under Sections 235 to 251 of the Companies Act, 1956 in respect of ILL.
20. The financial position of ILL will not be adversely affected by the Scheme. Further, the rights and interests of the creditors of ILL and TPL will not be prejudicially affected by the Scheme as ILL, post amalgamation 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 ILL and TPL will not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all, called from them nor are their rights sought to be modified in any manner.
21. On the Scheme being approved by the equity shareholders as per the requirements of Section 391 of the Act, ILL and TPL will seek the sanction of the Hon'ble High Court of Judicature at Bombay and Ahmedabad (Gujarat) respectively.
22. 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 ILL and TPL shall mutually 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 Hon'ble High Court(s) or such other competent authority as

the case may be, 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.

23. Inspection of the following documents may be had by the Equity Shareholders of ILL at the Registered Office of ILL up to one day prior to the date of the meeting between 11.00 a.m. and 1.00 p.m. on all working days (except Saturdays, Sundays and Public Holidays).

- a) Copy of the Order dated 9th December, 2011 of the Hon'ble High Court of Judicature at Bombay passed in Company Summons for Direction No. 719 of 2011 directing the convening of the meeting of the Equity Shareholders of ILL.
- b) Scheme of Amalgamation.
- c) Memorandum and Articles of Association of ILL and TPL.
- d) The Audited Financial Statements of ILL and TPL as on 31st March, 2011.
- e) Provisional accounts of ILL and TPL as on 31st August, 2011.
- f) Valuation Report of G.M. Kapadia & Co. and Natverlal Vepari & Co., Chartered Accountants.
- g) Copies of No Objection letters received from Bombay Stock Exchange Limited and National Stock Exchange of India Limited dated 10th October, 2011 and 13th October, 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. Rajesh Shah & Co., 16, Oriental Building, 30, Nagindas Master Road, Flora Fountain, Mumbai - 400 001.

Dated 12th December, 2011

Registered Office:

48, Kandivli Industrial Estate,
Kandivli (West),
Mumbai - 400067

sd/-

A. K. Jain

Chairman appointed for the meeting

SCHEME OF AMALGAMATION

OF

TONIRA PHARMA LIMITED
("TPL" OR "THE TRANSFEROR COMPANY")

WITH

IPCA LABORATORIES LIMITED
("ILL" OR "THE TRANSFEREE COMPANY")

AND

THEIR RESPECTIVE SHAREHOLDERS

Preamble

The Scheme of Amalgamation is divided into the following parts:

- a. Part A deals with the definitions and share capital
- b. Part B deals with amalgamation of TONIRA PHARMA LIMITED with IPCA LABORATORIES LIMITED
- c. Part C deals with the General Terms and Conditions.

PART A - DEFINITIONS AND SHARE CAPITAL

1. This Scheme of Amalgamation is presented under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 for the amalgamation of Tonira Pharma Limited With Ipca Laboratories Limited and issuance of equity shares of Ipca Laboratories Limited to the shareholders of Tonira Pharma Limited in consideration thereof.
 - 1.1. "Act" or "the Act" means the Companies Act, 1956 and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force.
 - 1.2. "Appointed Date" means the 1st day of April, 2011 or such other date as the High Court or such other competent authority, as the case may be, may direct.
 - 1.3. "Effective Date" means the last of the dates on which the certified or authenticated copies of the Orders of the respective High Courts of Judicature at Bombay and Ahmedabad (Gujarat) sanctioning the Scheme are filed with the Registrar of Companies, Maharashtra at Mumbai and Gujarat at Ahmedabad respectively.
 - 1.4. "ILL" or "Transferee Company" means Ipca Laboratories Limited, a company incorporated under the Indian Companies Act, 1913 having its registered office at 48, Kandivli Industrial Estate, Kandivli (West), Mumbai-400067.
 - 1.5. "TPL" OR "Transferor Company" means Tonira Pharma Limited, a company incorporated under the Companies Act, 1956 having its registered office at Plot No. 23-24, GIDC Estate, Nandesari, Dist. : Vadodara – 391 340 (Gujarat).
 - 1.6. "Record Date" means the date to be fixed by the Board of Directors of ILL in consultation with the Board of Directors of TPL for the purpose of issue of new equity shares (defined later) to the shareholders of TPL under the scheme.

- 1.7. "High Courts" means the High Court of Judicature at Bombay and the High Court of Judicature at Ahmedabad, Gujarat.
- 1.8. "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Amalgamation in its present form as submitted to the Hon'ble High Courts or such other competent authority, as the case may be, or with such modification(s), if any made, as per Clause 16 of the Scheme.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

- 2.1 The Scheme set out herein in its form or with modification(s) and amendment(s) made under Clause 16 of the Scheme shall be effective from the Appointed Date but shall be operative from the Effective Date.

3. SHARE CAPITAL

- 3.1. The Share Capital of TPL as at March 31, 2011 was as under:

Particulars	Amount (Rs in Lacs)
Authorised Capital	
1,20,00,000 Equity Shares of Rs 10/- each	1200.00
TOTAL AUTHORISED CAPITAL	1200.00
Issued, Subscribed and Paid up Capital	
79,44,200 Equity Shares of Rs 10/- each fully paid up	794.42
TOTAL PAID UP CAPITAL	794.42

- 3.2. The Share Capital of ILL as at March 31, 2011 was as under:

Particulars	Amount (Rs in Lacs)
Authorised Capital	
22,50,00,000 Equity Shares of Rs 2/- each	4500.00
TOTAL AUTHORISED CAPITAL	4500.00
Issued and Subscribed Capital	
12,69,87,500 Equity shares of Rs 2/- each	2539.75
Paid Up Capital	
12,57,06,405 Equity shares of Rs 2/- each fully paid up	2514.13
TOTAL PAID UP CAPITAL	2514.13

PART B - AMALGAMATION OF TPL WITH ILL

4. TRANSFER AND VESTING OF THE UNDERTAKING OF TPL

- 4.1. With effect from the Appointed Date and on the Scheme becoming effective, TPL shall be vested in and /or be deemed to have been vested in and amalgamated in ILL, as a going concern, without any further deed or act, together with all its assets, liabilities, properties, rights, benefits and interest therein, subject to existing charges thereon in favour of banks and financial institutions or otherwise, as the case may be and subject to the provisions of the Scheme in accordance with Sections 391 to 394 of the Act and all other applicable provisions of law, if any.
- 4.2. Without prejudice to the generality of the foregoing:
- the assets of TPL shall include all its properties and assets (whether real or personal, in possession or reversion, corporeal or incorporeal, movable or immovable, tangible or intangible) of whatsoever nature including but not limited to immovable properties, land and buildings, plant and machinery, furniture and fixtures, office equipments, motor vehicles, other equipments, computers, air conditioners, refrigerators,

investments, cash on hand, deposits, stock in trade, advances including retention money with the clients/customers, receivables, claims whether recognized or not, licenses, approvals including environmental approvals and approvals of various regulatory bodies/ local authorities whether in India or outside India, lease, tenancy rights, permissions, the benefit of all pre-qualification, track-record, experience, goodwill, copy rights, trademarks, logos, brands whether registered or not and other intellectual property rights, incentives if any, and all other rights, title, interest, contracts, consents, approvals or powers of every kind, nature and descriptions including the rights to appoint trustees, directors in relation to any of the trusts or companies whatsoever and wherever situated as on the Appointed Date.

- b) the liabilities shall include all debts, liabilities, contingent liabilities, duties and obligations of TPL as on the Appointed Date, whether or not provided in the books of TPL, which shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of ILL as the case may be, 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.

4.3. At the option of the Board of Directors of TPL and ILL, the transfer referred to in para 4.1 and 4.2 above shall be carried out as follows:

- i) All the movable assets of TPL including its plant and machinery, furniture and fixtures, office equipments, motor vehicles, other equipments, computers, air conditioners, refrigerators, investments, cash on hand etc shall be handed over by manual delivery (together with duly executed transfer forms or other documents as may be required) to ILL, as the case may be, along with such other documents as may be necessary to the end and intent that the property therein passes to ILL on such delivery.
- ii) In respect of movable assets, other than those specified in sub-clause(i) above, including sundry debtors, outstanding loans/advances, recoverable in cash or in kind or value to be received, bank balances and deposits the following modus operandi shall be followed:

- (a) TPL may give notice in such form as they may deem fit and proper to each party, debtor or depositor as the case may be, that pursuant to the High Courts or such other competent authority as the case may be, having sanctioned the Scheme, the said debt, loan, advances, deposits, bank deposits, etc. be paid or made good or held on account of ILL as the persons entitled thereto to the end and intent that the right of TPL to recover or realize the same stands extinguished and be vested with ILL. ILL may, if required, give notice in such form as it may deem fit and proper to each party, debtor or depositor that pursuant to the High Courts or such other competent authority as the case may be, having sanctioned the Scheme, the said party, debtor or depositor shall pay the debt, loan or advance or make good the same or hold the same to its account and that the right of ILL to recover or realize the same is in substitution of the right of TPL.
- (b) With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, duties and obligations of every kind, nature and description of TPL shall also, under the provisions of Sections 391 to 394 of the Act, without any further act or deed, be transferred to or be deemed to be transferred to ILL so as to become as from the Appointed Date the debts, liabilities, duties and obligations of ILL 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, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.

Provided that the Scheme shall not operate to enlarge the security for the said liabilities of TPL which shall vest in ILL by virtue of the Scheme and ILL shall not be obliged to create any further, or additional security thereof after the amalgamation has become effective or otherwise. The transfer /vesting of the assets of TPL as aforesaid shall be subject to the existing charges/hypothecation/mortgages over or in respect of the assets or any part thereof of TPL.

- iii) All the assets, licenses, permits, quotas, approvals including environmental approvals and approvals of various regulatory bodies/local authorities whether in India or outside India, permissions, incentives, taxes paid including minimum alternate tax credit (including but not limited to tax reliefs under the Income tax Act, 1961) and benefits of any unutilized CENVAT/Service tax credits, sales tax deferrals etc. loans, subsidies, concessions, grants, rights, claims, leases, tenancy rights, deposits, liberties, rehabilitation schemes, special status and other benefits or privileges enjoyed or conferred upon or

held or availed of by and all rights and benefits that have accrued to TPL upto the Appointed Date or which may accrue to TPL after the Appointed Date and prior to the Effective Date in connection or in relation to the operations of TPL shall, pursuant to the provisions of Section 394(2) of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to ILL so as to become as and from the Appointed Date the assets, licenses, permits, quotas, approvals including environmental approvals and approvals of various regulatory bodies/local authorities whether in India or outside India, permissions, incentives, taxes paid including minimum alternate tax credit (including but not limited to tax reliefs under the Income tax Act, 1961) and benefits of any unutilized CENVAT/Service tax credits, sales tax deferrals, loans, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status and other benefits or privileges of ILL and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible under the law or in case of such accruals after the Appointed Date but prior to the Effective Date, shall, pursuant to the provisions of Section 394(2) of the Act, without any other further act, instrument or deed, be and stand transferred to and vested or deemed to have been transferred to and vested in ILL.

- iv) ILL shall be entitled to the benefit of all pre-qualification, track-record, experience, goodwill and all other rights, claims and powers of whatsoever nature and wheresoever situate belonging to or in the possession of or granted in favour of or enjoyed by TPL in connection with or pertaining or relatable to the business/operations for all intents and purposes.

5. RATIONALE OF THE SCHEME:

5.1 TPL and ILL are under the same management. The management is of the opinion that the merger will lead to synergies of operations and more particularly the following benefits:
The main benefits of the Amalgamation of the TPL with ILL will be as follows:

- (a) TPL and ILL are in the business of manufacturing and marketing of drugs and pharmaceuticals.
- (b) Both the Companies are under same Management and it would be advantageous to combine the activities and operations in a single Company. The amalgamation would provide synergistic linkages besides economies in costs by combining the total business functions and the related activities and operations and thus contribute to the profitability of the amalgamated Company.
- (c) The amalgamated Company will have the benefit of the combined assets and cash flows of the two companies. The combined resources of the amalgamated company will be conducive to enhance its capability to face competition in the market place more effectively.
- (d) It will be conducive to better and more efficient and economical control and conduct of the businesses of both the companies.
- (e) With the enhanced capabilities and resources at its disposal, the amalgamated Company will have greater flexibility to compete more effectively.
- (f) A larger and growing Company will mean enhanced financial and growth prospects for the people and organizations connected with the Company.

6. ISSUE OF SHARES

6.1 Upon this Scheme becoming effective, in consideration for the amalgamation, ILL shall, without any further application or deed, issue and allot to the shareholders of TPL (or to his/her heirs, executors, administrators or the successors-in-title, as the case may be), whose names appear in the Register of Members and/or on records of the Depositories as the case may be, on the Record Date, fully paid-up shares in the following ratio:

"For every 100 (One Hundred) fully paid up equity shares of Rs 10/-each in TPL, 6 (Six) fully paid up equity shares of Rs 2/- each of ILL".

6.2 The equity shares to be issued and allotted by ILL as per Clause 6.1 (hereinafter referred to as "the New Equity Shares") would be with rights attached hereto as under:

- a) The New Equity Shares to be issued and allotted by ILL in terms hereof will be subject to Memorandum and Articles of Association and shall rank pari passu with the existing equity shares of ILL in all respects including dividend.
 - b) ILL shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment of New Equity Shares to the members of TPL, as the case may be, under the Scheme.
 - c) ILL shall, to the extent required, have Authorised Share Capital in order to issue New Equity Shares under the Scheme.
- 6.3 The Board of Directors of ILL shall consolidate all fractional entitlements, if any, arising due to amalgamation of TPL and allot New Equity Shares in lieu thereof, to director(s) or such other authorized representative(s) as the Board of Directors of ILL shall appoint in this behalf, who shall hold the New Equity Shares issued in ILL in trust on behalf of the members entitled to fractional entitlements with the express understanding that such director(s) or other authorized representative(s) shall sell the same in the market at such time or times and at such price or prices and to such person or persons, as he/they may deem fit and pay to ILL, the net sale proceeds thereof, whereupon ILL shall distribute such net sale proceeds, subject to taxes, if any, to the said members in proportion to their respective fractional entitlements. The Board of Directors of ILL, if it deems necessary, in the interests of Allottees, approve such other method in this behalf as it may, in its absolute discretion, deem fit.
- 6.4 The issue and the allotment of New Equity Shares by ILL to the shareholders of TPL as the case may be, as provided in this Scheme is an integral part thereof and shall be deemed to have been carried out as if the procedure laid down under Section 81 (1A) and any other applicable provisions of the Act were duly complied with.
- 6.5 The Shares or share certificates of TPL in relation to the shares held by its Members shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled and be of no effect on and from the Record Date. The New Equity Shares of ILL will be issued in dematerialized form to those equity shareholders of TPL who hold the equity shares of TPL in dematerialized form provided all details relating to the depository account with the depository participant are available with TPL. All other equity shareholders of TPL as on the Record Date who hold shares of TPL in physical form shall be issued New Equity Shares in ILL in physical form unless otherwise communicated in writing by such shareholder to receive shares of ILL in demat mode on or before such date as may be determined by TPL and/ or ILL by mutual agreement of the Board of Directors of TPL and ILL.
- 6.6 New Equity Shares of ILL issued and allotted in terms of this Scheme shall be listed on the Bombay Stock Exchange Limited ("BSE") and The National Stock Exchange of India Limited ("NSE") subject to fulfillment of such terms and conditions as may be prescribed by BSE and NSE at the time of ILL seeking listing of New Equity Shares. After the Record Date, the equity shares of TPL will not be traded on the Stock Exchange where they are presently listed.
- 6.7 ILL shall, if and to the extent required, apply for and obtain any approvals from the concerned regulatory authorities for the issue and allotment of New Equity Shares to the members of TPL under the Scheme and for listing thereof in terms of Clause 6.6 above.
- 6.8 On the amalgamation of TPL with ILL, no shares of ILL shall be issued or allotted in respect of the holding of ILL in TPL.
- 6.9 Pursuant to this Scheme and on the transfer and vesting of the Undertaking of TPL in ILL the equity share capital of TPL held by ILL shall stand cancelled without any further act, application or deed.

7. ACCOUNTING TREATMENT

On the Scheme becoming effective, the accounting for the amalgamation would be done in accordance with the "Pooling of Interest Method" referred to in Accounting Standard 14- Accounting for amalgamation (AS 14). Accordingly, ILL shall account for the Scheme in its books of accounts with effect from the Appointed Date as under:

- 7.1 With effect from the Appointed Date, all assets and liabilities appearing in the books of accounts of TPL shall stand transferred to and vested in ILL, as the case may be pursuant to the Scheme and shall be recorded by ILL at their respective book values.
- 7.2 ILL shall credit to the Share Capital Account in its books of account, the aggregate face value of the New Equity Shares issued and allotted under the Scheme to the equity shareholders of TPL pursuant to this Scheme.

7.3 The difference between the book value of net assets of TPL transferred to ILL, pursuant to the Order of the High Courts or such other competent authority, as the case may be and the value of New Equity Shares allotted by ILL (as aforesaid), after adjusting the value of shares held by ILL in TPL which are being cancelled under this Scheme, shall be credited to Capital Reserve Account or debited to Goodwill Account, as the case may be.

7.4 Any inter-company balance(s) will stand cancelled.

8. TRANSACTIONS UPTO THE EFFECTIVE DATE

8.1 As and from the date of acceptance of this Scheme by the Board of Directors of ILL and TPL and till the Effective Date:

- a. TPL hereby undertake to hold its assets with utmost prudence until the Effective Date.
- b. TPL shall be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Governments and all other agencies, departments and authorities concerned as may be necessary under any law for consents, approvals and sanctions which they may require to carry on its business.
- c. TPL shall not utilize the profits or income, if any, for the purpose of declaring or paying any dividend, without the prior written consent of the Board of Directors of ILL.
- d. TPL shall not without the prior written consent of the Board of Directors of ILL, except those arising out of any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of its undertaking or any part thereof, except in the ordinary course of its business.
- e. TPL shall not make any change in its respective capital structure, either by any increase (by issue of equity shares on a rights basis, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, subdivision, consolidation, re-organization or in any other manner except by mutual consent of the Boards of Directors of TPL and ILL or unless any such change in the capital structure has commenced prior to the date of acceptance of this Scheme by the Board of Directors of ILL and the Board of Directors of TPL or unless the same is in accordance with the provisions of this Scheme.

8.2 With effect from the Appointed Date and till the Effective Date, TPL shall carry on or be deemed to have carried on its business and activities and shall stand possessed of and hold all of its assets and properties for and on account of and in trust for ILL. Further, any income or profit accruing or arising to TPL and all costs, charges, expenses, debts, liabilities, losses and obligations, incurred, suffered or contracted by TPL, with effect from Appointed Date and upto Effective Date, shall for all purposes be treated as the income, profits, costs, charges, expenses, debts, liabilities, losses and obligations, as the case may be, of ILL.

9. TREATMENT OF EMPLOYEES

9.1 On the Scheme becoming operative, all permanent staff, workmen and employees of TPL who are in service on the date immediately preceding the Effective Date shall, become the staff, workmen and employees of ILL on the Effective Date.

9.2 On the Scheme finally taking effect as provided herein:

- a. The staff, workmen and employees of TPL shall become the staff, workmen and employees of ILL, as the case may be, without any break or interruption in service and on terms and conditions not less favourable than those on which they are engaged by TPL immediately preceding the Effective Date. Services of all staff, workmen and employees with TPL upto the Effective Date shall be taken into account from the date of their respective appointment with TPL, as the case may be, for the purposes of all retirement benefits for which they may be eligible.
- b. The services of such staff, workmen and employees shall not be treated as having been broken or interrupted for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with TPL.

It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Fund created or existing for the benefit of the staff, workmen and employees of TPL shall become funds of ILL for all purposes whatsoever in relation to the administration or operation of such funds or in relation to the obligation to make contribution to the said funds in accordance with the provisions thereof as per the terms provided in the respective agreement/ deeds, if any, to the end and intent that all rights, duties, powers and obligations of TPL in relation to such funds shall become those of ILL.

10. LEGAL PROCEEDINGS

If any suit, appeal or other proceeding of whatever nature by or against TPL is pending, the same shall not abate or be discontinued or be in any way 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 ILL, 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 TPL as if this Scheme had not been made.

11. COMBINATION OF AUTHORISED CAPITAL

11.1 Upon sanction of this Scheme and from the date of Scheme becoming effective, the authorised share capital of ILL shall automatically stand increased without any further act, instrument or deed on the part of ILL including payment of stamp duty and payment of fees payable to Registrar of Companies, by the Authorised Share Capital of Transferor Company amounting to Rs. 12,00,00,000/- (Rupees Twelve Crores Only) comprising of 1,20,00,000 (One Crore Twenty Lacs) equity shares of Rs. 10/- each.

11.2 Consequently, the Memorandum of Association of ILL (relating to the Authorised Share Capital) shall, without any further act, instrument or deed, be and stand altered, modified, amended and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 16, 31, 94 and 394 and other applicable provisions of the Act for alteration, sub-division or otherwise would be required to be separately passed, as the case may be and for this purpose the stamp duties and fees paid on the Authorised Capital of the Transferor Company shall be utilized and applied to the increased Authorised Share Capital of ILL and there would be no requirement for any further payment of stamp duty and/or fees by ILL for increase in the Authorised Share Capital to that extent.

11.3 Consequent upon the amalgamation of TPL into ILL, the Authorised Share Capital of ILL will be as under:

Particulars	Amount (Rs.)
Authorised Capital	
28,50,00,000 equity shares of Rs. 2/- each	57,00,00,000
TOTAL AUTHORISED CAPITAL	57,00,00,000

It is clarified that the approval of the members of ILL to the Scheme shall be deemed to be their consent / approval also to the alteration of the Memorandum of Association of ILL as may be required under the Act, and Clause V of the Memorandum of Association shall stand substituted by virtue of the Scheme to read as follows:

Clause V of the Memorandum of Association of ILL:

V. The Authorised Share Capital of the company is Rs. 57,00,00,000/- (Rupees Fifty Seven Crores Only) divided into 28,50,00,000 (Twenty Eight Crores Fifty Lacs) Equity Shares of Rs. 2/- (Rupees Two) each with power to increase or decrease the capital and divide the shares in capital for the time being into several classes and to attach thereto respectively such ordinary, preferential shares, qualified or special rights or privileges and conditions in such manner as may for the time being, provided by the regulations of the Company and as permissible under the statutory provisions in force.

PART C - GENERAL TERMS AND CONDITIONS

12. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

12.1. Subject to other provisions contained in this Scheme, all contracts, bids (whether converted into a contract or not) deeds, bonds, agreements, other instruments and any other related document, if any, of whatever nature, to which TPL is party, subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favour of ILL and may be enforced as fully and effectually as if instead of TPL, ILL had been the party thereto.

12.2. ILL shall, if so required or becomes necessary, enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations in order to give formal effect to the provisions of this Scheme. Further, ILL shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of TPL, as the case may be, and to implement or carry out all formalities required on the part of TPL to give effect to the provisions of this Scheme.

13. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the undertaking under Clause 4 above and the continuance of proceedings by or against Transferor Company above shall not affect any transaction or proceedings already concluded by Transferor Company till the Effective Date, to the end and intent that ILL accepts and adopts all acts, deeds and things done and executed by Transferor Company in respect thereto as done and executed on behalf of itself.

14. DISSOLUTION OF TPL

On the Scheme becoming effective, TPL shall stand dissolved without being wound up.

15. APPLICATION TO THE HIGH COURTS OR SUCH OTHER COMPETENT AUTHORITY

ILL and TPL shall with all reasonable dispatch, make Applications to the jurisdictional High Courts or such other competent authority, as may be applicable, and for sanctioning this Scheme of Amalgamation under Sections 391 to 394 and other provisions of the Act and for dissolution of TPL without being wound up.

16. MODIFICATION/AMENDMENT TO THE SCHEME

ILL and TPL by their respective Board of Directors may make and/or consent to any modifications/ amendments to the Scheme or to any conditions or limitations that the Courts or any other 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). ILL and TPL by their respective Board of Directors, 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 order of any other authority or otherwise however arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

17. CONDITIONALITY OF THE SCHEME

The Scheme is conditional upon and subject to the following:

- a. The Scheme being approved by the respective requisite majorities of the members and / or creditors of ILL and TPL, as may be directed by the jurisdictional High Courts and/or any other competent authority and it being sanctioned by such High Courts and / or any other competent authority, as may be applicable under Sections 391 to 394 of the Act;
- b. All sanctions and approvals as may be required by law in respect of this Scheme being obtained; and
- c. Certified or authenticated copies of the orders of the High Courts or such other competent authority, as may be applicable, sanctioning this Scheme being filed with the respective Registrar of Companies by TPL and ILL.

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 High Courts or such other competent authority, as may be Applicable, and/or the Order not being passed as aforesaid before 31st December, 2012 or within such further period or periods as may be agreed upon between ILL and TPL by their respective Boards of Directors, 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 event each party shall bear and pay its respective costs, charges and expenses for and or 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), incurred in carrying out and implementing this Scheme and matters incidentals thereto, shall be borne by ILL.

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ATTENDANCE SLIP

IPCA LABORATORIES LIMITED

Registered Office: 48, Kandivli Industrial Estate, Kandivli (West),
Mumbai- 400067.

PLEASE FILL THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL
Joint Shareholders may obtain additional Attendance slip at the venue of the meeting.

DP ID:

FOLIO NO.:

CLIENT ID*

No. of Shares held

NAME AND ADDRESS OF THE EQUITY SHAREHOLDER/PROXY HOLDER

I hereby record my presence at the meeting of the Equity Shareholders of the Company convened pursuant to the Order dated 9th December, 2011 of the Hon'ble High Court of Judicature at Bombay on Friday, the 20th day of January, 2012 at 11.30 a.m. at Plot No. 47, Kandivli Industrial Estate, Kandivli (West), Mumbai - 400067.

SIGNATURE OF EQUITY SHAREHOLDER/PROXY HOLDER _____

NOTES:

- 1) *Applicable for investors holding shares in dematerialized form
- 2) Shareholders who come to attend the meeting are requested to bring with them copy of the Scheme of Amalgamation.

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