

September 05, 2025

To The Corporate Relations Department BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Code: 540222	To The Listing Department National Stock Exchange of India Ltd., Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Code: LAURUSLABS
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Sub: Submission of Scheme of Arrangement under Regulation 37(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir / Madam,

Pursuant to Regulation 37(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and in furtherance to our letter dated August 21, 2025, we are hereby submitting the Composite Scheme of Arrangement between and amongst Laurus Synthesis Private Limited (“Demerged Company” or “Transferor Company”), Sriam Labs Private Limited (“Resulting Company”), the Wholly Owned Subsidiaries of the Company and Laurus Labs Limited (“Transferee Company” or “the Company”) and their respective shareholders and creditors as approved by the Board of Directors on August 21, 2025 with the Appointed Date as 1st April, 2026, subject to requisite approvals.

In terms of Regulation 37(6) of the Listing Regulations, the requirement of obtaining 'No Objection Letter' from the Stock Exchanges is not applicable to this composite Scheme which solely provide for merger of a wholly owned subsidiary with its holding company.

However, in accordance with the provisions of Regulations 37(6) of the Listing Regulations, such Schemes shall be filed with the Stock Exchanges for the purpose of disclosure.

Accordingly, the copy of the Scheme is attached herewith for disclosure purpose.

Kindly take the above on record.

Yours faithfully,

For **Laurus Labs Limited**

G. Venkateswar Reddy
Company Secretary & Compliance Officer

Encl: A/a

Registered Office

Laurus Enclave, Plot Office 01, E. Bonangi Village,
Parawada Mandal, Anakapalli District - 531021, Andhra Pradesh, India.

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CIN : L24239AP2005PLC047518,

Corporate Office

2nd Floor, SDE Serene Chambers, Road No. 7,
Banjara Hills, Hyderabad - 500034, Telangana, India.

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COMPOSITE SCHEME OF ARRANGEMENT

BETWEEN

LAURUS SYNTHESIS PRIVATE LIMITED

(“DEMERGED COMPANY” OR “TRANSFEROR COMPANY”)

AND

SRIAM LABS PRIVATE LIMITED

(“RESULTING COMPANY”)

AND

LAURUS LABS LIMITED

(“TRANSFeree COMPANY”)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

**(UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE
COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER)**



I. PREAMBLE

This Composite Scheme of Arrangement (hereinafter referred to as “Scheme”) is presented pursuant to the provisions of Section 230 to 232 of the Companies Act, 2013 and the rules made thereunder (to the extent applicable):

- (i) for the demerger of Identified Business Undertaking (defined hereunder) of Laurus Synthesis Private Limited (“Demerged Company” or “Transferor Company”) into Sriam Labs Private Limited (“Resulting Company”); and
- (ii) amalgamation of Remaining Undertaking (defined hereunder) of Laurus Synthesis Private Limited with Laurus Labs Limited (“Transferee Company”) and dissolution of Transferor Company without going through the process of winding up under the provisions of the Act (as defined hereinafter).

This Scheme also provides for various other matters consequent and incidental thereto.

II. DESCRIPTION OF COMPANIES

1. Demerged Company/Transferor Company–Laurus Synthesis Private Limited

- (i) Laurus Synthesis Private Limited (“Transferor Company” or “Demerged Company”, as applicable) is a company incorporated under the Companies Act, 2013 having its registered office at 2nd Floor, SDE Serene Chambers, Road No. 7, Banjara Hills, Hyderabad, Telangana, India, 500034. The Demerged Company or Transferor Company, as applicable, was incorporated on 18th May of 2020 having CIN:U24110TG2020PTC140333.
- (ii) The Demerged Company or Transferor Company, as applicable is engaged *inter-alia*, in the business of Contract Development & Manufacturing Organization (CDMO), Contract Research And Manufacturing Services (CRAMS), supporting drug development and manufacturing programs of global pharmaceutical and biotech companies.
- (iii) The Demerged Company or Transferor Company, as applicable, has filed for change of its registered office from the State of Telangana to Andhra Pradesh vide application number AB5921885 filed with the Regional Director on 08th August, 2025. It is expected that the registered office of the Demerged Company or Transferor Company, as applicable, shall be changed to Andhra Pradesh prior to filing of the application with the NCLT.
- (iv) The Demerged Company or Transferor Company, as applicable, is a wholly owned subsidiary of the Transferee Company and its equity shares or any other instruments are not listed on any Stock Exchange.



2. **Resulting Company - Sriam Labs Private Limited**

- (i) Sriam Labs Private Limited (“Resulting Company”) is a company incorporated under the Companies Act, 1956 having its registered office at Sy. No. 505, Padamati Somaram Road Bibinagar (Village & Mandal), Nalgonda, Yadadri-Bhuvanagiri District, Telangana, India, 508126. The Resulting Company was incorporated on 12th February of 2002 having CIN U24239TG2002PTC038490
- (ii) The Resulting Company is primarily engaged, *inter alia*, in the business of manufacturing of Active Pharmaceutical Ingredients (APIs) and pharmaceutical intermediates.
- (iii) The Resulting Company has filed for change of its registered office from the State of Telangana to Andhra Pradesh vide application number AB5924021 filed with the Regional Director on 08th August, 2025. It is expected that the registered office of the Resulting Company shall be changed to Andhra Pradesh prior to filing of the application with the NCLT.
- (iv) The Resulting Company is a wholly owned subsidiary of the Transferee Company and its equity shares or any other instruments are not listed on any Stock Exchange.

3. **Transferee Company - Laurus Labs Limited**

- (i) Laurus Labs Limited (“Transferee Company”) is a public limited company incorporated under the Companies Act, 1956 having its registered office at Laurus Enclave, Plot Office: 01, E. Bonangi Village, Parawada (M), Anakapalli District, Visakhapatnam, Andhra Pradesh, India, 531021. The Transferee Company was incorporated on 19th September of 2005 and having CIN:L24239AP2005PLC047518.
- (ii) The equity shares of the Transferee Company are listed and traded on the BSE Limited (“BSE”) bearing ISIN: INE947Q01028 & Scrip Code: 540222 and on the National Stock Exchange (“NSE”) bearing Symbol: LAURUSLABS.
- (iii) The Transferee Company is primarily engaged, *inter alia*, in the business of Contract Development and Manufacturing (CDMO) of clinical and commercial supply of human health and animal health APIs and intermediates, crop science ingredients and specialty ingredients for dietary and cosmetic industries; manufacture of Generics Finished Dosage Form (FDF), Generics Active Pharmaceutical Ingredients (APIs) and Biotechnology.



III. OBJECTIVES /RATIONALE OF THE SCHEME

This Composite Scheme of Arrangement is being proposed broadly for the ease of doing businesses by the group companies and consolidation of the businesses held by the subsidiaries. The said Scheme is proposed to be undertaken by demerging the Identified Business Undertaking of the Demerged Company into the Resulting Company and the Remaining Undertaking of the Transferor Company being amalgamated with the Transferee Company. The circumstances that have necessitated or justified the proposed Composite Scheme of Arrangement and its main benefits are, inter alia, summarized as under:-

DEMERGER

- (i) The demerger enables consolidation of like businesses held by the subsidiaries under the Resulting Company for greater integration, financial strength and flexibility which will facilitate ease of doing business and operations.

AMALGAMATION

- (i) To achieve consolidation, greater integration, financial strength and flexibility which will maximize overall shareholders' value and facilitate ease of doing business.
- (ii) Results in economies in business operations, provide optimal utilization of resources.
- (iii) Increase in operating strength and potential business development shall enable the entities to raise financial resources at better terms and effectively fund organic and inorganic growth opportunities.
- (iv) Simplify the overall group structure

This Scheme is in the best interest of the shareholders, employees and creditors of each of the companies involved in this Scheme.

IV. PARTS OF THE SCHEME

The scheme is divided into the following parts:

- (i) **PART A**-Deals with definitions, interpretation, and share capital;
- (ii) **PART B**-Deals with demerger of the Identified Business Undertaking (as defined hereinafter) of the Demerged Company to the Resulting Company;
- (iii) **PART C**-Deals with amalgamation of Remaining Undertaking (as defined hereinafter) of the Transferor Company with the Transferee Company;
- (iv) **PART D**-Deals with general terms and conditions applicable to this Composite Scheme of Arrangement and other matters consequential and integrally connected thereto.



PART A

PRELIMINARY, DEFINITIONS, INTERPRETATION AND SHARE CAPITAL

1. PRELIMINARY

- 1.1. The Demerged Company or Transferor Company, as applicable is primarily engaged in the business of Contract Development & Manufacturing Organization (CDMO) supporting drug development and manufacturing programs of global pharmaceutical and biotech companies. The main objects are set out in the Memorandum of Association of the Demerged Company or Transferor Company, as applicable. They are briefly as under: -

- “1. To carry on, undertake, set up, establish, pursue, develop, deal, trade, use, assist, advice, consult, facilitate, Contract Research and Manufacturing Services (CRAMS) and Clinical research services in the field of drug discovery, biotechnology, pharmaceuticals, synthesis, ingredients, nutritional products, bio-pharmaceutical, bio-informatics, medicinal sciences, life sciences, natural sciences, physical sciences, chemical sciences, biosciences, agro based products and to undertake such other related and allied activities but not limited to discovery, product development and manufacturing, custom services, vivarium services, animal research, preclinical and clinical trials, clinical drug development, clinical laboratory, clinical data management.*
- 2. To carry on research and development of new products, new delivery systems, new routes of administration, new devices and sensors, new diagnostics, the process and / or product development for manufacturing, formulation and packaging development, development of analytical and characterization methods, biochemical and immunological analysis, bio marker analysis, preclinical studies, pharmacology and toxicology studies, bio equivalence and clinical studies, validation of process and commercial research.*
- 3. To engage in the business of design and development of software and related products for special applications in the field of Biotechnology, discovery, development, manufacture and bio informatics.”*

- 1.2. The Resulting Company is primarily engaged in the business of manufacturing of Active Pharmaceutical Ingredients (APIs) and pharmaceutical intermediates. The main objects are set out in the Memorandum of Association of the Resulting Company. They are briefly as under:-



- “1. To carry on manufacturing and/or to undertake job work, trading, import, export, to act as stockists, distributors, selling and buying agents and/or otherwise deal in all types of pharmaceuticals products, medicines, organic and inorganic chemicals, drugs of all types and varieties under all systems of medicine, medical implements, surgical material of various types used for human beings, animals, including poultry and live stocks.*
- 2. To carry on and undertake consultancy and/or to conduct both technical and other feasibility studies on turnkey basis or otherwise for establishment/running of Industrial Units engaged in the above lines of activity.”*

1.3. The Transferee Company is primarily engaged in the business of Contract Development and Manufacturing (CDMO) of clinical and commercial supply of human health and animal health APIs and intermediates, crop science ingredients and specialty ingredients for dietary and cosmetic industries; manufacture of Generics Finished Dosage Form (FDF), Generics Active Pharmaceutical Ingredients (APIs), and Biotechnology. The main objects are set out in the Memorandum of Association of the Transferee Company. They are briefly as under:-

- “1. To manufacture, import, export, buy, sell, distribute, and deal in bulk drugs, dosage forms and pharmaceuticals, fine chemicals, biotech products including any ayurvedic, unani, herbal, nutraceuticals and cosmetic preparations.*
- 2. To undertake all kinds of consultancy services in pharmaceuticals and carry on research (including active pharmaceutical research) and development, and loan licensing manufacturing, to act as advisers for such of those industrial organizations and research laboratories who may desire to utilize these services in pharmaceuticals, as well as discovery, preclinical and clinical activities, formulations, clinical manufacturing and other outsourced pharmaceutical related activities.*
- 3. To acquire, invent, develop, providing manufacturing process or design or plant and equipment for the manufacture of drugs, pharmaceuticals, chemicals, food products and install, erect the plant and run the plant for the Company's use or handover, transfer the unit to the entrepreneur, industrialist or business men who has contracted with the company of the above services, and to develop or provide technical know-how, end to end information, technology solutions for drug discovery, drug development, drug manufacturing and drug marketing and distribution and clinical packaging and logistics business, end-to-end solutions for the clinical supply management including study design, forecasting, labeling, and packaging, distribution and returns management.*
- 4. To establish laboratory facilities for the Company's own purpose or contract research and to conduct analytical and research work of all descriptions and to establish, provide, maintain and conduct, or otherwise subsidize research laboratories and experimental*



workshops for scientific and technical research and tests of all kinds and to promote studies and research both scientific and technical, investigation and invention by providing, subsidizing, endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing for the remuneration of scientific or technical professors or teachers and by providing for the award of exhibition, scholarship, prizes and grants to students or otherwise and generally to encourage, promote and reward studies, researches, investigation, experiment, tests and inventions of any kind that may be considered likely to assist any of the businesses which the Company is authorized to undertake.

5. *To undertake on behalf of clients, in India or abroad, (pharmaceutical, biotechnology, healthcare companies and companies engaged in pharmaceutical research and development) clinical research for pharmaceutical products (including drugs, therapies and medical devices) including study, design, CRF design, protocol development, medical and clinical research monitoring, drug safety monitoring and evaluation of results of clinical research and to undertake import, export, storage and distribution of drugs, pharmaceutical products, equipments, devices and other related items for clinical research purposes.”*

- 1.4. The present Directors of the Demerged Company or the Transferor Company (as applicable) are as follows:

S.No.	Name of the Directors	Address
1	Narasimha Rao Chava	HIG-133, Vinayaka Nagar, VUDA Colony, Pedagantyada, Visakhapatnam, A.P.– 530 044
2	Krishna Chaitanya Chava	Plot No.303,Road No.25,Jubilee Hills, Hyderabad – 500033 Telangana
3	SitaRamaiah Chagarlamudi	Flat No. 405, Sokeo Towers, KPHB Phase-5 BSNL Exchange Office, KPHB Colony, Kukatpally, Hyderabad 500072, Telangana
4	Venkata Lakshmi Narasimha Rao Dammalapati	54-19-26 B, Flat No.502, Krishna Meadows, Nelson Mandela Park Road, LIC Colony, Vijayawada (Urban), Krishna (D), Andhra Pradesh- 520008
5	Soumya Chava	Plot No.303,Road No.25,Jubilee Hills, Hyderabad – 500033 Telangana



1.5. The present Directors of the Resulting Company are as follows:

S.No.	Name of the Directors	Address
1	Krishna Chaitanya Chava	Plot No.303,Road No.25,Jubilee Hills, Hyderabad – 500033 Telangana, India
2	Srinivasa Rao Suryadevara	6-24-4/39, Flat No. 301, Defence Officers Flats, Kirlampudi Layout, Opp. VUDA Park, East Point Colony, Visakhapatnam – 530017, A.P, India.
3	Venkata Lakshmana Rao Chunduru	Villa No.194, SA Palm Meadows, Kompally, Hyderabad, Telangana - 500014, India.
4	Uma Maheswar Rao Vasireddi	Plot No. 45, Manovikas Nagar, Park View Enclave, Near NIMH, New Bowenpally, Hyderabad – 500011, Telangana, India

1.6. The present Directors of the Transferee Company are as follows:

S.No.	Name of the Directors	Address
1	Satyanarayana Chava	H. No.8-2-293/82/A/303,Plot No.303,Road No.25,Jubilee Hills, Hyderabad – 500033 Telangana, India
2	Venkata Ravi Kumar Vantaram	Villa 12, Poulomi Aristos, Golden Mile Road, Near Rajapushpa Atria, Kokapet, Hyderabad - 500075, Telangana, India.
3	Venkata Lakshmana Rao Chunduru	Villa No.194, SA Palm Meadows, Kompally, Hyderabad, Telangana - 500014, India.
4	Rajesh Koshy Chandy	55 Princess road, London NW1 8Js, United Kingdom
5	Aruna Rajendra Bhinge	3501, Tower 2, Planet Godrej Keshav Khadye Road, Mumbai, Maharashtra - 400011, India.



6	Ravindranath Kancherla	Plot No. 303F, Road No.25, Jubilee Hills, Hyderabad, Telangana - 500033, India.
7	Ramesh Subrahmanian	235 Arcadia Road, A 06-07, Singapore - 289843.
8	Sekar Karnam	Villa 72, Hirise, KVR Paradise, Bachupally, Hyderabad – 500090
9	Krishna Chaitanya Chava	Plot No.303,Road No.25,Jubilee Hills, Hyderabad – 500033 Telangana, India
10	Soumya Chava	Plot No.303,Road No.25,Jubilee Hills, Hyderabad – 500033 Telangana, India

- 1.7. The Scheme does not affect the rights of the creditors of any of the Demerged Company or Transferor Company (as applicable), the Resulting Company and the Transferee Company. There will not be any reduction in amounts payable to any of the creditors of the Demerged Company or Transferor Company (as applicable), the Resulting Company and the Transferee Company post sanctioning of the Scheme.
- 1.8. The Scheme does not seek to reduce or otherwise alter the issued, subscribed and paid up capital of the Transferee Company in any manner and the same will therefore remain unaltered.
- 1.9. The Boards of Directors of the Demerged Company or Transferor Company (as applicable), Resulting Company and Transferee Company are of the view that the rights and obligations of each of the equity shareholders of the Demerged Company or Transferor Company (as applicable), the Resulting Company and the Transferee Company, respectively are not impacted in any way post sanctioning of the Scheme.
- 1.10. The Employees (as defined hereinafter) of the Demerged Company or Transferor Company (as applicable) in service shall be deemed to have become the Employees of the Resulting Company and the Transferee Company, respectively without interruption in their service. Further, the terms and conditions of their employment with the Resulting Company and the Transferee Company respectively shall not be less favourable than those applicable to them with reference to their employment with the Demerged Company or Transferor Company (as applicable).
- 1.11. The Key Managerial Personnel (as defined hereinafter) and the Employees (as defined hereinafter) of the Demerged Company or the Transferor Company (as applicable) in service shall remain the Key Managerial Personnel and Employees in the Resulting Company and the Transferee Company, respectively, post sanctioning of the Scheme without any interruption in their service. Further, the terms and conditions of their employment with the Resulting Company/Transferee Company shall



not be less favourable than those applicable to them with reference to their employment prior to the sanctioning of the Scheme.

2. DEFINITIONS

In this Scheme of Arrangement, unless repugnant to the meaning or context thereof, the following expressions shall have the meanings as mentioned herein below:

- 2.1. **“Act” or “the Act”** means the Companies Act, 2013, and rules made thereunder and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force;
- 2.2. **“Appointed Date”** means 01st April, 2026 or such other date as may be approved by the jurisdictional National Company Law Tribunal or any other appropriate authority;
- 2.3. **“Appropriate Authority”** means any government, statutory, regulatory, departmental or public body or authority of the Jurisdiction over Demerged Company or Transferor Company (as applicable), the Resulting Company and the Transferee Company, including Regional Director, Registrar of Companies and the jurisdictional National Company Law Tribunal;
- 2.4. **“Board of Directors” or “Board”** shall mean the Board of Directors of the Demerged Company or Transferor Company (as applicable), the Resulting Company and the Transferee Company and or any committee, respectively, thereof duly constituted or any other person duly authorized by the Board for the purpose of this Scheme.
- 2.5. **“Demerged Company” or “Transferor Company”** means Laurus Synthesis Private Limited, a private limited Company incorporated under the provisions of Companies Act, 2013 and having its registered office at 2nd Floor, SDE Serene Chambers, Road No. 7, Banjara Hills, Hyderabad, Telangana, India, 500034 and is a wholly owned subsidiary of the Transferee Company.
- 2.6. **“Effective Date”** means the date on which the authenticated copy or the certified copy of the order, whichever is earlier, issued by the jurisdictional NCLT, sanctioning this Scheme is filed with the jurisdictional RoC. Any references in this Scheme to “upon this Scheme becoming effective” or “effectiveness of this Scheme” or “after this Scheme becomes effective” means and refers to the Effective Date.
- 2.7. **“Employees”** means all the employees on the payroll of the Demerged Company or Transferor Company (as applicable), the Resulting Company and the Transferee Company on the Appointed Date as identified by the Board of Directors of the Demerged Company or Transferor Company (as applicable), the Resulting Company and the Transferee Company and continuing as on the Effective Date.
- 2.8. **“Equity Share(s)”** means the equity shares of the Demerged Company or Transferor Company (as applicable), the Resulting Company and the Transferee Company, as the case may be.



- 2.9. **“Government Authority”** means Central Government, any applicable state or local government, legislative body, regulatory or administrative authority, agency or commission or any Court, Tribunal, Board, Bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction.
- 2.10. **“GST Laws”** means applicable provisions of The Central Goods and Services Tax Act, 2017 and/or The Integrated Goods and Services Tax Act, 2017 and/or respective State Goods and Services Tax Act and/or The Union Territory Goods and Services Tax Act, 2017 along with the applicable rules made thereunder;
- 2.11. **“Identified Business Undertaking”** shall mean the Unit-1 of the Demerged Company which is the business undertaking situated in Plot No.74-B, Jawaharlal Nehru Pharma City, Parawada, Anakapalli District – 531 021, Andhra Pradesh, carrying on the business of manufactures of Intermediates and APIs of the Demerged Company carried on in India or outside India and shall include all assets, liabilities and employees of the Demerged Company, on a going concern basis, related to such Identified Business Undertaking as may be more specifically decided by its Board of Directors and in particular includes the following:
- (i) All the assets / properties of Identified Business Undertaking of Demerged Company, whether movable or immovable, whether tangible or intangible including all rights, title, interest, covenant, including continuing rights, title and interest in connection with the land and the buildings thereon whether, corporeal or incorporeal, leasehold or freehold, and includes all rights, titles, interest and covenant, undertakings, liability relating thereto, capital work in progress, other fixed assets, shares and securities (including inventory and work in progress, all the loans and includes all rights, titles, interest and advances of Demerged Company.
 - (ii) All intangible assets (including but not limited to Abbreviated New Drug Applications), trade and service names and marks, patents, copyrights, designs and other intellectual property rights of any nature whatsoever, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including tax benefits), employee benefit plan, export incentives accrued, derivative instruments, forward contracts, insurance claims receivable, tax related assets, including but not limited to goods and service tax input credits, value added/ sales tax/ entry tax credits or set-offs, advance tax, tax deducted at source, tax refunds and minimum alternate tax credit, tax holiday benefit, incentives, tax losses, rights, easements, privileges, liberties and advantages of whatsoever nature and



wherever situated relating to the Identified Business Undertaking of the Demerged Company;

- (iii) All the debts, borrowings and liabilities, present or future, whether secured or unsecured of the Identified Business Undertaking of Demerged Company.
- (iv) All statutory licenses, approvals, permissions, no-objection certificates, permits, consents, patents, trademarks, tenancies, offices, depots, quotas, rights, entitlements, privileges, benefits of all contracts / agreements (including but not limited to contracts / agreements with vendors, customers, government etc.), all other rights (including but not limited to right to use and avail electricity connections, water connections, environmental clearances, telephone connections, facsimile connections, telexes, e-mail, internet, leased line connections and installations, lease rights, easements, powers and facilities), of Identified Business Undertaking of Demerged Company.
- (v) All staff, workmen, and employees engaged in Identified Business Undertaking of Demerged Company.
- (vi) All records, files, papers, information, computer programs, manuals, data, catalogues, quotations, sales advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records, whether in physical form or electronic form of Identified Business Undertaking of Demerged Company.
- (vii) All earnest monies and/or security or public deposits in connection with or relating to the Identified Business Undertaking of the Demerged Company.
- (viii) All legal or other proceedings of whatsoever nature in connection with or relating to the Identified Business Undertaking of the Demerged Company.

2.12. “**INR**” means Indian Rupees;

2.13. “**IT Act**” means the Income-tax Act, 1961 or any other applicable law or superseding law to the said statute;

2.14. “**Intangible Assets**” means and includes all intellectual property and industrial property rights and rights in confidential information of every kind and description throughout the world, whether registered or unregistered, and including, software, research and development, business claims, business information, business records, goodwill, including without limitation.

2.15. “**Key Managerial Personnel**” or “**KMPs**” means the Chief Executive Officer or the Managing Director or the Manager, the Company Secretary, the Whole-time Director, the Chief Financial Officer and such other officer as may be prescribed of the Demerged Company or Transferor Company (as applicable), the Resulting Company and the Transferee Company, as the case may be;



- 2.16. **“NCLT / Tribunal”** means the jurisdictional National Company Law Tribunal. The expression **“Upon approval of the Scheme by the Tribunal” / “From the date of approval of the Scheme by the Tribunal” / “date on which the Scheme is approved by the Tribunal”** shall mean the date on which the present Scheme is finally approved by the Tribunal;
- 2.17. **“Record date”** means the date on which the Scheme is approved by the Tribunal and determining the shareholders of the Transferor Company or the Demerged Company, as applicable, who shall be entitled to receive consideration pursuant to this Scheme on that date;
- 2.18. **“Regional Director” or “RD”** means the jurisdictional Regional Director having jurisdiction over the Demerged Company or Transferor Company, Resulting Company and the Transferee Company;
- 2.19. **“Registrar of Companies” or “ROC”** means the jurisdictional Registrar of Companies having jurisdiction over the Demerged Company or Transferor Company, Resulting Company and the Transferee Company;
- 2.20. **“Remaining Undertaking”** means all the undertakings, businesses, activities and operations of the Demerged Company or Transferor Company relating to the business activities other than the Identified Business Undertaking of the Demerged Company or Transferor Company,
- 2.21. **“Resulting Company” or “Sriam Labs”** means Sriam Labs Private Limited, a private limited company incorporated under the Companies Act, 1956, and having its registered office at Sy. No. 505, Padamati Somaram Road, Bibinagar (Village & Mandal), Nalgonda, Yadadri, Bhuvanagiri District, Telangana, India, 508126 and is a wholly owned subsidiary of the Transferee Company;
- 2.22. **“Scheme” or “this Scheme” or “Composite Scheme of Arrangement”** means this composite scheme of arrangement in its present form submitted to the jurisdictional NCLT or any other Appropriate Authority in the relevant jurisdictions, with any modification(s) thereto as the jurisdictional NCLT or any other Appropriate Authority may direct;
- 2.23. **“SEBI”** means the Securities and Exchange Board of India.
- 2.24. **“SEBI Circular”** means the Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 issued by SEBI.
- 2.25. **“Stock Exchanges”** means the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE), collectively.
- 2.26. **“Transferee Company”** means Laurus Labs Limited, a public limited company incorporated under the Companies Act, 1956, and having its registered office at Laurus Enclave, Plot Office: 01, E. Bonangi Village, Parawada (M), Anakapalli District, Parawada, Visakhapatnam, Anakapalle, Andhra Pradesh, India, 531021;



2.27. **“Transition Period”** means the period starting from the date immediately after the Appointed Date till the last of the dates on which all the conditions stipulated in Clause 27 of this Scheme are fulfilled.

2.28. 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, have the same meaning ascribed to them under the Act and / or other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

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

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

4. **SEQUENCE OF EFFECTIVENESS OF THE SCHEME**

Firstly, Part B of the Scheme (relating to Demerger of the Identified Business Undertaking of the Demerged Company with the Resulting Company shall be deemed to have taken place, prior to Part C of the Scheme. Thereafter, Part C of the Scheme relating to amalgamation/merger of Remaining Undertaking of the Transferor Company with Transferee Company shall be deemed to have taken place, after Part B of the Scheme.

5. **SHARE CAPITAL OF THE COMPANIES**

5.1. **LAURUS SYNTHESIS PRIVATE LIMITED**

The authorized, issued, subscribed and paid up share capital of Demerged Company or Transferor Company (as applicable) as per its Financial Statements as on June 30, 2025 is as follows:



Authorised Capital	Amount (INR)
1,50,00,000 equity shares of INR 10 each	15,00,00,000
Total	15,00,00,000
Issued, Subscribed and Paid-up Capital	Amount (INR)
1,07,600 equity shares of INR 10 each	10,76,000
Total	10,76,000

The entire paid-up share capital is held by Transferee Company or its nominees.

Subsequent to June 30, 2025, there has been no change in the share capital of the Demerged Company or Transferor Company (as applicable).

5.2. SRIAM LABS PRIVATE LIMITED

The authorized, issued, subscribed and paid up share capital of the Resulting Company as per its Financial Statements as on June 30, 2025 is as follows:

Authorised Capital	Amount (INR)
1,45,00,000 equity shares of INR 10 each	14,50,00,000
Total	14,50,00,000
Issued, Subscribed and Paid-up Capital	Amount (INR)
1,42,03,363 equity shares of INR 10 each	14,20,33,630
Total	14,20,33,630

The entire paid-up share capital is held by Transferee Company or its nominees.

Subsequent to June 30, 2025, there has been no change in the share capital of the Resulting Company.



5.3. LAURUS LABS LIMITED

The authorized, issued, subscribed and paid up share capital of the Transferee Company as on June 30, 2025 is as follows:

Authorised Capital	Amount (INR)
55,50,00,000 equity shares of INR 2 each	111,00,00,000
Total	111,00,00,000
Issued, Subscribed and Paid-up Capital	Amount (INR)
53,98,24,899 equity shares of INR 2 each	107,96,49,798
Total	107,96,49,798

Subsequent to June 30, 2025, there has been no change in the share capital of the Transferee Company.

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PART B**DEMERGER OF IDENTIFIED BUSINESS UNDERTAKING FROM THE DEMERGED COMPANY INTO THE RESULTING COMPANY****6. TRANSFER AND VESTING OF IDENTIFIED BUSINESS UNDERTAKING FROM THE DEMERGED COMPANY INTO THE RESULTING COMPANY**

6.1. Upon the Scheme become effective and with effect from the Appointed Date, the Identified Business Undertaking of the Demerged Company shall stand transferred from the Demerged Company to the Resulting Company, as provided in this Scheme, and, pursuant to the provisions of Section 230 read with section 232 and other applicable provisions of the Act, if any and also in accordance with Section 2(19AA) or the relevant section of the IT Act dealing with demerger provisions and without any further act, instrument or deed, matter or thing be transferred on a going concern basis such that as and from the Appointed Date all the assets and debts outstanding, credits, liabilities, duties and obligations whatsoever concerning the Identified Business Undertaking of the Demerged Company as on the Appointed Date shall, accordingly stand transferred to and vested in and/or be deemed to be and stand transferred to and vested in the Resulting Company, as set out in the Scheme hereunder.

6.2. Without prejudice to Clause 6.1 above, upon the Scheme becoming effective and with effect from the Appointed Date:

- (i) All immovable property (including land, buildings and any other immovable property, if any, more specifically described in **Schedule – I** to the Scheme), of the Identified Business Undertaking of the Demerged Company, whether freehold or leasehold, and any documents of title, rights and easements in relation thereto, shall stand vested in the Resulting Company, without any act or deed done by the Demerged Company or the Resulting Company, and without any approval or acknowledgement of any third party. With effect from the Appointed Date, the Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges, and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation/ substitution of the title to such immovable properties shall be made and duly recorded in the name of the Resulting Company by the appropriate authorities pursuant to the sanction of the Scheme by the Tribunal in accordance with the terms hereof. The Demerged Company shall take all steps as may be necessary to ensure that lawful, peaceful and unencumbered possession, right, title, interest of its immovable property is given to the Resulting Company.



- (ii) Without prejudice to the generality to the foregoing, with effect from the appointed date, all other assets of the Identified Business Undertaking of the Demerged Company as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, shall stand vested in the Resulting Company, and shall become the property and an integral part of the Resulting Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being vested, and the title to such property shall be deemed to have been transferred and vested accordingly. No stamp duty shall be payable on the transfer of such movable properties upon its transfer and vesting in Resulting Company.
- (iii) All the debts, borrowings and liabilities, present or future, whether secured or unsecured of the Identified Business Undertaking of Demerged Company as on the Appointed Date shall stand vested in the Resulting Company.
- (iv) All statutory licenses, approvals, permissions, no-objection certificates, permits, consents, patents, trademarks, tenancies, offices, depots, quotas, rights, entitlements, privileges, benefits of all contracts / agreements (including but not limited to contracts / agreements with vendors, customers, government etc.), all other rights (including but not limited to right to use and avail electricity connections, water connections, environmental clearances, telephone connections, facsimile connections, telexes, e-mail, internet, leased line connections and installations, lease rights, easements, powers and facilities), of Identified Business Undertaking of Demerged Company as on the Appointed Date shall stand vested in the Resulting Company, without any act or deed done by the Demerged Company or the Resulting Company, and without any approval or acknowledgement of any third party.
- (v) All staff, workmen, and employees engaged in Identified Business Undertaking of Demerged Company shall stand vested in the Resulting Company.
- (vi) All records, files, papers, information, computer programs, manuals, data, catalogues, quotations, sales advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records, whether in physical form or electronic form of Identified Business Undertaking of Demerged Company as on the Appointed Date shall stand vested in the Resulting Company.
- (vii) All earnest monies and/or security or public deposits in connection with or relating to the Identified Business Undertaking of the Demerged Company as on the Appointed Date shall stand vested in the Resulting Company, without any act or deed done by the Demerged Company or the Resulting Company, and without any approval or acknowledgement of any third party.



- 6.3. Upon the Scheme become effective and with effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description relating to the Identified Business Undertaking of the Demerged Company which may accrue or arise after the Appointed Date but which is related to the period up to the Transition Period, if any, whether quantified or not shall pursuant to the scheme and as per the provision of Section 230 of the Act read with section 232 of the Act, without any further act or deed, be transferred to, or be deemed to be transferred to the Resulting Company, so as to become as and from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company and the Resulting Company undertakes to meet, discharge and satisfy the same.
- 6.4. In respect of general or multipurpose borrowings, debts, liabilities, if any, shall be transferred to or be deemed to be transferred to the Resulting Company as may be mutually agreed by the Board of Directors of the Demerged Company and the Resulting Company upon the Scheme become effective and with effect from the Appointed Date. It is hereby clarified that 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 clause (though the Resulting Company may, if it deems appropriate, give notice to the debtors that the debts stand transferred to and vested in the Resulting Company).
- 6.5. Where any of the liabilities and obligations attributed to the Identified Business Undertaking of the Demerged Company on the Appointed Date has been discharged by the Demerged Company after the Appointed Date and prior to the date of approval of the Scheme by the Tribunal, such discharge to the extent it pertains to the Identified Business Undertaking of the Demerged Company shall be deemed to have been discharged for and on the behalf of the Resulting Company.
- 6.6. All liabilities and obligations attributed to the Identified Business Undertaking of the Demerged Company, including its unsecured loans, taken over by the Resulting Company, may be discharged by the Resulting Company by way of one-time settlement or in any other manner as the Resulting Company may deem fit.
- 6.7. The transfer and vesting of the Identified Business Undertaking of the Demerged Company as aforesaid, shall be subject to the existing securities, charges, hypothecation and mortgages, if any,



subsisting in relation to any loans or borrowings of the Identified Business Undertaking of the Demerged Company, provided however, any reference in any security documents or arrangements, to which the Demerged Company is a party, wherein the assets of the Identified Business Undertaking of the Demerged Company have been or are offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the Identified Business Undertaking of the Demerged Company as are vested in the Resulting Company, by virtue of this Scheme, to the end and intent that such security, charge, hypothecation and mortgage shall not extend or be deemed to extend, to any of the other assets of the Demerged Company or any of the assets of the Resulting Company, provided further that the securities, charges, hypothecation and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Resulting Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges, hypothecation or mortgages and shall not extend or be deemed to extend, to any of the assets of the Identified Business Undertaking of the Demerged Company as vested in the Resulting Company, provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Demerged Company in relation to the Identified Business Undertaking of the Demerged Company which shall vest in the Resulting Company by virtue of the vesting of the Identified Business Undertaking of the Demerged Company with the Resulting Company and the Resulting Company shall not be obliged to create any further or additional security therefore after the Scheme has become operative.

- 6.8. All the loans, advances and other facilities sanctioned to the Demerged Company in relation to the Identified Business Undertaking of the Demerged Company by its bankers and financial institutions prior to the Appointed Date, which are partly drawn or utilized shall be deemed to be the loans and advances sanctioned to the Resulting Company and the said loans and advances shall be drawn and utilized either partly or fully by the Demerged Company from the Appointed Date till the date of approval of the Scheme by the Tribunal and all the loans, advances and other facilities so drawn by the Demerged Company in relation to the Identified Business Undertaking of the Demerged Company (within the overall limits sanctioned by their bankers and financial institutions) shall on the date of approval of the Scheme by the Tribunal be treated as loans, advances and other facilities made available to the Resulting Company and all the obligations of the Demerged Company in relation to the Identified Business Undertaking of the Demerged Company under any loan agreement shall be construed and shall become the obligation of the Resulting Company without any further act or deed on the part of the Resulting Company.



- 6.9. Upon the Scheme become effective and with effect from the Appointed Date, the Resulting Company alone shall be liable to perform all obligations in respect of the transferred liabilities, which have been transferred to it in terms of this Scheme, and the Demerged Company shall not have any obligations in respect of such transferred liabilities.
- 6.10. Upon the Scheme become effective and with effect from the Appointed Date, the Resulting Company shall, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangement with any party to any contract or arrangement to which the Identified Business Undertaking of Demerged Company is a party in order to give formal effect to the above provisions. The Resulting Company shall be deemed to be authorized to execute any such writings on behalf of the Demerged Company to carry out or perform all such formalities or compliances referred to above on part of the Demerged Company.
- 6.11. Upon the Scheme become effective and with effect from the Appointed Date, the Resulting Company shall be entitled to secure the record of the change in the legal ownership upon the vesting of the assets of the Identified Business Undertaking of the Demerged Company in accordance with the provisions of Sections 230 to 232 of the Act. The Demerged Company and the Resulting Company shall be jointly and severally authorized to execute any writings and / or carry out any formalities or compliance in this regard.
- 6.12. All taxes, duties, cess payable by the Identified Business Undertaking of the Demerged Company including all or any refunds / credit / claims pertaining to the period prior to the Appointed Date shall be treated as the liability or refunds / credit / claims, as the case may be, of the Resulting Company.
- 6.13. Upon the Scheme become effective and with effect from the Appointed Date, all existing and future incentives, unavailed credits and exemptions, benefit of carried forward losses, unabsorbed depreciation and other statutory benefits, including in respect of income tax (including Minimum Alternative Tax), customs, VAT, sales tax, service tax, goods and services tax etc. relating to the Identified Business Undertaking to which Demerged Company is entitled to shall be available to and vest in the Resulting Company.



- 6.14. All the contracts, statutory licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Identified Business Undertaking of the Demerged Company and all rights and benefits that have accrued or which may accrue to the Identified Business Undertaking of the Demerged Company, whether before or after the Appointed Date, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of the Act, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Resulting Company so as to become as and from the Appointed Date the contracts, statutory licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Resulting Company and shall remain valid, effective and enforceable on the same terms and conditions.
- 6.15. The Resulting Company shall, if required, file relevant intimations, e-forms, for the record of the statutory authorities signifying the transfer of the assets / properties including but not limited to permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions and other authorisations of the Identified Business Undertaking of the Demerged Company.
- 6.16. Laurus Synthesis Private Limited and Sriam Labs Private Limited shall be entitled to file/revise their statutory returns (if required) and related tax payment certificates and claim refunds, advance tax credits etc. as may be required consequent to the implementation of the Scheme.
- 6.17. The Scheme has been drawn up to comply with the conditions relating to “Demerger” as specified under Section 2(19AA) or other relevant provisions of the IT Act. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of said section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the IT Act shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) or other relevant provisions of IT Act. Such modification will however not affect the other parts of the Scheme.



7. CONSIDERATION

- 7.1. Upon approval of the Scheme by the NCLT and in consideration of the transfer and vesting of the Identified Business Undertaking of Demerged Company into the Resulting Company pursuant to the Scheme, the Resulting Company shall without any further application, act, instrument or deed, issue and allot equity shares credited as fully paid up, to the extent indicated below to the members of the Demerged Company holding fully paid equity shares of Demerged Company and whose name appear in the register of members of the Demerged Company as on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognised by the Board of directors of the Resulting Company in the proportion of twenty-seven (27) equity shares of the Resulting Company for every one (1) equity share held by the shareholders in the Demerged Company.
- 7.2. Upon the Scheme becoming effective but prior to the issuance of the Equity Shares, the Resulting Company shall increase its authorised share capital in an appropriate manner so as to enable it to issue the Equity Shares in the manner provided herein.
- 7.3. Where shares of the Resulting Company are to be allotted to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of the Demerged Company, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of the Resulting Company.
- 7.4. The approval of the Scheme by the shareholders of the Resulting Company shall be deemed to be the approval under section 62 read with section 42 of the Act read with relevant rules made there under, for the purpose of issue and allotment of shares by the Resulting Company to the shareholders of the Demerged Company and shall be deemed to have complied with the provisions of the Act, if any and any other applicable provisions of the Act, and such other statutes and regulations as may be applicable were duly complied with.
- 7.5. The shares issued and allotted by the Resulting Company in terms of Part B of the Scheme shall be subject to the provisions of the Memorandum and Articles of Association of the Resulting Company and shall inter-se rank pari passu in all respects with the then existing equity shares of the Resulting Company, save and except in relation to dividends declared, and distributed by the Resulting Company from the Appointed Date till the date of approval of the Scheme by the Tribunal to which only the existing equity shares of Resulting Company will be entitled to.



8. LEGAL PROCEEDINGS

- 8.1. Upon the Scheme become effective and with effect from the Appointed Date, all the legal or other proceedings by or against the Identified Business Undertaking of the Demerged Company, under any statute, whether pending on the date of approval of the Scheme by the Tribunal or which may be instituted in future in respect of any matter arising before the date of approval of the Scheme by the Tribunal and relating to the Identified Business Undertaking of the Demerged Company, shall be continued and enforced by or against the Resulting Company after the Effective Date. Except as otherwise provided herein, the Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings that stands transferred to the Resulting Company.
- 8.2. If proceedings are commenced against the Demerged Company in relation to its Identified Business Undertaking, for the matters referred above between the Appointed Date and Effective Date, the Demerged Company shall defend the same as per the advice of the Resulting Company. The Resulting Company will reimburse the entire costs and indemnify the Demerged Company against all liabilities incurred by the Demerged Company in respect thereof.
- 8.3. If any suit, appeal or other proceedings of whatever nature by or against the Identified Business Undertaking of the Demerged Company is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of this demerger or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Demerged Company as if the Scheme had not been made.
- 8.4. On and from the date of the Scheme becoming effective, the Resulting Company shall, and may, if required, initiate, continue any legal proceedings in relation to the Identified Business Undertaking of the Demerged Company.
- 8.5. The transfer of the Identified Business Undertaking of the Demerged Company and the continuance of the proceedings by or against the Demerged Company pursuant to this scheme, shall not affect any transactions or proceedings already concluded by the Demerged Company, in the ordinary



course of business on or after the Appointed Date and the Resulting Company accept and adopt on behalf of itself all acts, deeds and things done lawfully and executed by the Demerged Company in regard thereto as having been done or executed on behalf of the Resulting Company, as the case may be.

9. CONTRACTS, DEEDS, OTHER INSTRUMENTS

- 9.1. Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which pertaining to the Identified Business Undertaking of the Demerged Company and to which the Demerged Company is a party, or the benefit to which the Demerged Company may be eligible, subsisting or operative immediately on or before the date of approval of the Scheme by the Tribunal, shall be in full force and effect against or in favour of Resulting Company and may be enforced as fully and effectively as if instead of the Demerged Company, the Resulting Company had been a party or beneficiary thereto. Further, Resulting Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Demerged Company and to implement or carry out all formalities required on the part of the Demerged Company, to give effect to the provisions of this Scheme.
- 9.2. As a consequence of the demerger of the Identified Business Undertaking of the Demerged Company into the Resulting Company in accordance with or pursuant to this Scheme, the recording of change in name in the records of the statutory or regulatory authorities from the Demerged Company to the Resulting Company, whether pertaining to any licence, permit, approval or any other matter, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the concerned statutory or regulatory or any other appropriate authority concerned.
- 9.3. The Resulting Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite agreement, confirmations or novation's to which the Demerged Company will, if necessary, also be a party in order to give formal effect to the provisions of this Scheme, if it is so required or if it becomes necessary.
- 9.4. The Resultant Company shall be entitled to the benefit of all insurance policies which have been issued in respect of the Identified Business Undertaking of the Demerged Company and the name of the Resultant Company shall be substituted as "Insured" in the policies as if the Resultant Company was initially a party to the insurance policy(ies) with effect from the Appointed Date.



10. TAXATION MATTERS

- 10.1. Upon the Scheme become effective and with effect from the Appointed Date, all taxes payable by the Identified Business Undertaking of the Demerged Company under the Income-tax Act, 1961, Finance Act, 1994, Customs Act, 1962, Central Excise Act, 1944, State Sales Tax laws, Central Sales Tax Act, 1956, GST Laws or other applicable laws/ regulations dealing with taxes/ duties/ levies (hereinafter referred to as "Tax Laws") shall be to the account of the Resulting Company; similarly all credits for tax deduction at source on income of the Identified Business Undertaking of the Demerged Company, or obligation for deduction of tax at source on any payment made by or to be made by the Identified Business Undertaking of the Demerged Company shall be made or deemed to have been made and duly complied with by the Resulting Company if so made by the Demerged Company. Similarly, any advance tax payment required to be made for by the specified due dates in the Tax Laws shall also be deemed to have been made by the Resulting Company if so made by the Identified Business Undertaking of the Demerged Company.
- 10.2. Any refunds under the Tax Laws due to the Identified Business Undertaking of the Demerged Company consequent to the assessments made on the Demerged Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Resulting Company.
- 10.3. All taxes of any nature, duties, cesses or any other like payments or deductions made by the Identified Business Undertaking of the Demerged Company or any of its agents to any statutory authorities such as Income-tax, sales tax, and service tax, or any tax deduction/ collection at source, tax credits under Tax Laws/ GST Laws, etc., relating to the period after the Appointed Date shall be deemed to have been on account of or paid by the Resulting Company, and the relevant authorities shall be bound to transfer to the account of and give credit for the same to the Resulting Company upon completion of Transition Period as on the Effective Date and upon relevant proof and documents being provided to the said authorities.
- 10.4. Allowance of deduction under Sections 40(a) and 43B of the Income-tax Act, 1961, in the year of payment, of such expenses previously disallowed in the hands of the Identified Business Undertaking of the Demerged Company, shall vest in and become available to the Resulting Company pursuant to this Scheme.



11. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

11.1. With effect from the Appointed Date up to the date of the Scheme becoming effective:

11.1.1. Demerged Company shall carry on, and be deemed to have carried on its business, operations or activities, and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the assets, properties, liabilities or Undertaking(s) pertaining to the Identified Business Undertaking on behalf of and / or in trust for the Resulting Company.

11.1.2. All profits or income accruing or arising to the Identified Business Undertaking of the Demerged Company, or losses arising or expenditure incurred by it, pertaining to the Identified Business Undertaking, shall for all purposes be treated as, and be deemed to be treated as, the profits or income or losses or expenditure, as the case may be, of the Resulting Company.

11.1.3. All assets howsoever acquired by the Demerged Company for carrying on its business, operations or activities pertaining to the Identified Business Undertaking and the liabilities relating thereto shall be deemed to have been acquired and are also contracted for and on behalf of the Resulting Company.

11.2. The Resulting Company shall also be entitled, pending sanction of the Scheme, to apply to the Central Government, State Government, and all other agencies, department and statutory authorities concerned, wherever necessary, for such consents, approvals and sanctions which the Resulting Company may require including the registration, approvals, exemptions, relieves, etc., as may be required / granted under any law for the time being in force for carrying on business of the Identified Business Undertaking of the Demerged Company.

11.3. The transfer of assets, properties, liabilities and the continuance of proceedings by or against the Demerged Company pertaining to the Identified Business Undertaking shall not affect any transaction or proceedings already concluded by the Demerged Company on or after the Appointed Date to the end and intent that the Resulting Company accepts and adopts all acts, deeds things done and executed by the Identified Business Undertaking of the Demerged Company, in regard thereto as done executed by the Resulting Company on behalf of itself.



12. STAFF, WORKMEN AND EMPLOYEES

- 12.1. Upon the Scheme becoming effective, all staff, workmen and employees on the payrolls of the Identified Business Undertaking of the Demerged Company, in service as on the Effective Date be deemed to have become staff, workmen, and employees of Resulting Company on such date without any break or interruption in their service and on the terms and conditions of their employment not less favourable than those subsisting with reference to Identified Business Undertaking of the Demerged Company at the end of the Transition Period.
- 12.2. As of the date of filing of this Scheme, the Identified Business Undertaking of the Demerged Company shall make contributions to the government maintained provident fund and / or other funds in relation to all its staff, workmen and employees. The Resulting Company shall subsequent to the Effective Date make appropriate contributions towards such provident fund and / or other funds in respect of the staff, workmen and employees taken over by it pursuant to this Scheme.
- 12.3. It is clarified that the services of all the transferred staff, workmen and employees of the Identified Business Undertaking of the Demerged Company engaged with Identified Business Undertaking, to the Resulting Company will be treated as having been continuous for the purpose of the aforesaid employee benefits and / or liabilities. For the purpose of payment of any retrenchment compensation, gratuity, and / or other terminal benefits, and / or any other liability pertaining to staff, workmen and employees, the past services of such staff, workmen and employees with the Demerged Company shall also be taken into account by the Resulting Company, which shall pay the same if and when payable.
- 12.4. In so far as the existing benefits or funds created by the Demerged Company for the Remaining Employees (i.e other than the staff, workmen and employees of the Identified Business Undertaking of the Demerged Company) are concerned, the same shall continue and the Demerged Company shall continue to contribute to such funds and trusts in accordance with the provisions thereof, and such funds and trusts, if any, shall be held inter alia for the benefit of the Remaining Employees (i.e other than the staff, workmen and employees of the Identified Business Undertaking of the Demerged Company).



13. POWER TO GIVE EFFECT TO THIS PART

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

14. ACCOUNTING TREATMENT

The accounting treatment of the demerger of Identified Business Undertaking in the books of the Demerged Company and the Resulting Company shall be in compliance with the applicable accounting standards notified under Section 133 of the Act and other generally accepted accounting principles in India.

14.1. ACCOUNTING TREATMENT IN THE BOOKS OF RESULTING COMPANY

14.1.1. On the Scheme becoming effective, the Resulting Company shall record the assets, liabilities and reserves (if any) of the Identified Business Undertaking of the Demerged Company, vested in it pursuant to this Scheme, at the carrying values as appearing in the financial statements of the Demerged Company relating to the Identified Business Undertaking. The amount of any inter-company balances between the Demerged Company and the Resulting Company, appearing in the Financial Statements of the respective companies relating to the Identified Business Undertaking, shall stand cancelled without any further act or deed and the amounts so cancelled shall not be recorded in the Financial Statements of the Resulting Company.

14.1.2. The Resulting Company shall credit its share capital account with the aggregate face value of the equity shares issued to the shareholders of Demerged Company pursuant to Clause 7.1 of this Scheme.

14.1.3. The difference, if any, between the amount recorded as share capital issued by Resulting Company as per Clause 14.1.2 of the Scheme and the amount of assets, liabilities and reserves (if any) taken over of the Identified Business Undertaking of the Demerged Company as per Clause 14.1.1, shall be transferred to "Capital Reserves" or "Amalgamation



Adjustment Deficit Account” respectively, as the case may be, in the financial statements of the Resulting Company and shall be presented separately from other reserves with disclosure of its nature and purpose in the notes to the financial statements.

14.1.4. In case of any differences in accounting policies between the Demerged Company and the Resulting Company, the accounting policies followed by the Resulting Company shall prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies.

14.1.5. Comparative financial information in the financial statements of the Resulting Company shall be restated for the accounting impact of the acquisition of Identified Business Undertaking, as stated above, as if the acquisition had occurred from the beginning of the comparative period.

14.2. ACCOUNTING TREATMENT IN THE BOOKS OF DEMERGED COMPANY

Upon the Scheme becoming effective, with effect from the Appointed Date, all the assets, liabilities and reserves (if any) of the Identified Business Undertaking of the Demerged Company shall stand transferred to and vested in the Resulting Company at their book values as on the Appointed Date. The Remaining Undertaking of the Demerged Company shall merge with the Transferee Company (as provided in Part C of this Scheme) and consequently, all remaining assets, liabilities, reserves (if any), contracts, rights, obligations, and pending proceedings of the Company shall vest in the Transferee Company and the Demerged Company or the Transferor Company (as applicable) stands dissolved without winding up,

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PART C**TRANSFER AND VESTING OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY****15. TRANSFER AND VESTING OF REMAINING UNDERTAKING OF THE TRANSFEROR COMPANY:**

15.1. Upon the Scheme become effective and with effect from the Appointed Date, the Remaining Undertaking of the Transferor Company, including:

- (a) all the assets and properties of the Remaining Undertaking of Transferor Company including, without limitation, offices, plant and machineries, equipment, interests, capital work-in-progress, installations, appliances, tools, accessories, freehold, leasehold and any other title, interests or right in such immovable assets as provided in **Schedule IIA and Schedule IIB**, buildings and structures constructed thereto on the freehold land and/or the leasehold land, offices, furniture, fixtures, office equipment, computers and all stocks of the Remaining Undertaking of the Transferor Company shall vest with and be the assets and properties of the Transferee Company;
- (b) all the debts, liabilities, duties and obligations of the Remaining Undertaking of Transferor Company as on the Appointed Date, whether provided for or not in the books of accounts or disclosed in the balance sheet, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any kind, nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising pertaining to the Remaining Undertaking of the Transferor Company shall become the debts, liabilities, duties and obligations of the Transferee Company;
- (c) Without prejudice to the generality of sub-Clause 15.1.(a) and 15.1.(b) above, the Remaining Undertaking of the Transferor Company shall include:
 - (i) all movable and immovable properties, assets, including lease-hold rights, tenancy rights, industrial and other licenses, software, registrations, permits, authorisations, trademarks, patents and other industrial and intellectual properties, electrical connections, telephones, telex, facsimile and other communication facilities and equipment, rights and benefits of all agreements, pending applications and all other



equipment, rights and benefits of all agreements, pending applications and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals of the Remaining Undertaking of the Transferor Company;

- (ii) all current assets including inventories, sundry debtors, receivables, cash and bank accounts (including bank balances), fixed deposits, loans and advances including advances to vendors and employees, balances with Government Authority, interest accrued on fixed deposits, export benefits receivable, advance tax, actionable claims, bills of exchanges and debit notes of the Remaining Undertaking of the Transferor Company;
- (iii) all agreements including loan license agreement, contracts, arrangements, understandings, engagements, deeds and instruments including lease/license agreements, tenancy rights, equipment purchase agreements, and other agreements with the customers, purchase and other agreements/contracts with the supplier/ manufacturer of goods/ service providers and all rights, title, interests, claims and benefits there under of the Remaining Undertaking of the Transferor Company;
- (iv) all application monies, advance monies, earnest monies and/or security deposits paid or deemed to have been paid and payments against other entitlements of the Remaining Undertaking of the Transferor Company;
- (v) all intellectual property rights (including applications for registrations of the same and the right to use such intellectual property rights), trade and service names and marks, patents, copyrights, and other intellectual property rights of any nature whatsoever, trade secrets, confidential information, domain names, books, records, files, papers, software licences (whether proprietary or otherwise), data, and all other records and documents, whether in physical or electronic form relating to the business activities and operations of the Remaining Undertaking of the Transferor Company; and
- (vi) all employees of the Transferor Company

under the provisions of Section 232 read with Section 230 of the Act, and pursuant to the orders of the NCLT sanctioning this Scheme and without further act, instrument or deed, but subject to the charges affecting the same as at the end of the Transition Period, be transferred and/or deemed to



be transferred to and vested in the Transferee Company, so as to become the properties, assets, rights, business and Undertaking of the Transferee Company.

- 15.2. Without prejudice to the generality of Clause 15.1 above, with respect to the assets of the Remaining Undertaking of the Transferor Company, including cash and bank balances, as are movable in nature or are otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery or otherwise, the same shall be so transferred by the Transferor Company to the Transferee Company, without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company as an integral part of the assets of the Transferee Company, with effect from the Appointed Date.
- 15.3. Without prejudice to the generality of Clause 15.1 above, with effect from the Appointed Date, all debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date whether provided for or not in the books of account of the Transferor Company and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or up to the day of the Appointed Date, shall be the debts, liabilities, duties and obligations of the Transferee Company including any encumbrance on the assets of the Remaining Undertaking of the Transferor Company or on any income earned from those assets.
- 15.4. With effect from the Appointed Date, all inter-party transactions between Transferor Company (being the Remaining Undertaking of the Transferor Company) and the Transferee Company shall be considered as intra-party transactions for all purposes.
- 15.5. Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company (being the Remaining Undertaking of the Transferor Company) and the Transferee Company shall, ipso facto, stand discharged and come to an end and there shall be no liability on any party and appropriate effect shall be given in the books of account and records of the Transferee Company. It is hereby clarified that there will be no accrual of interest or other charges in respect of any inter-company loans, advances and other obligations between the Transferor Company (being the Remaining Undertaking of the Transferor Company) and the Transferee Company, with effect from the Appointed Date.



- 15.6. All existing securities, mortgages, charges, liens or other encumbrances, if any, as on the Appointed Date and created by the Transferor Company (being the Remaining Undertaking of the Transferor Company) after the Appointed Date, over the properties and other assets comprised in the Undertaking or any part thereof transferred to the Transferee Company by virtue of this Scheme and in so far as such securities, mortgages, charges, liens or other encumbrances secure or relate to liabilities of the Transferor Company (being the Remaining Undertaking of the Transferor Company), the same shall, after the Transition Period, continue to relate and attach to such assets or any part thereof to which they are related or attached during the Transition Period and as are transferred to the Transferee Company, and such securities, mortgages, charges, liens or encumbrances shall not relate or attach to any of the other assets of the Transferee Company, provided however that no encumbrances shall have been created by the Transferor Company (being the Remaining Undertaking of the Transferor Company) over its assets after the date of filing of the Scheme without the prior written consent of the Board of Directors of the Transferee Company, except for those done in the normal course of business.
- 15.7. The existing encumbrances over the properties and other assets of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the end of Transition Period shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Company (being the Remaining Undertaking of the Transferor Company) transferred to and vested in the Transferee Company by virtue of this Scheme.
- 15.8. It is expressly provided that, save as herein provided, no other term or condition of the liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.
- 15.9. With effect from the Appointed Date, all contracts, statutory licenses, registrations, incentives, tax deferrals and benefits, tax credits, tax refunds, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, permissions, approvals or consents to carry on the operations of the Transferor Company (being the Remaining Undertaking of the Transferor Company), special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company (being the Remaining Undertaking of the Transferor Company) and all rights and benefits that have accrued or which may accrue to the Transferor Company (being the Remaining Undertaking of the Transferor Company), whether before or after the Appointed Date shall stand



vested in or transferred to the Transferee Company, pursuant to the Scheme, without any further act or deed and shall remain valid, effective and enforceable on the same terms and conditions and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company upon the vesting and transfer of the Undertaking of the Transferor Company pursuant to this Scheme.

- 15.10. Subject to the other provisions of this Scheme, all contracts, including contracts with customers, contracts for tenancies, licenses and capacity allotments obtained from Government and Non-Government Authority, land lease deeds, other deeds, bonds, agreements, licences, permits, registrations, approvals, if any, of whatsoever nature to which the Transferor Company (being the Remaining Undertaking of the Transferor Company) is a party and subsisting or having effect at the end of Transition Period, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto, notwithstanding the terms contained in such contracts, deeds, bonds; agreements, licences, permits, registrations, approvals and other instruments.
- 15.11. The Transferee Company shall be entitled to the benefit of all insurance policies which have been issued in respect of the Remaining Undertaking of the Transferor Company and the name of the Transferee Company shall be substituted as "Insured" in the policies as if the Transferee Company was initially a party to the insurance policy(ies) as on the Appointed Date.
- 15.12. The Amalgamation of the Transferor Company (being the Remaining Undertaking of the Transferor Company) with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and shall be in accordance with Section 2(1B) or other relevant provisions of the IT Act and other applicable provisions of the Tax Laws. If any terms or provisions of the Scheme is/ are inconsistent with the provisions of Section 2(1B) or other relevant provisions of the IT Act or such other applicable Tax Laws, the provisions of Section 2(1B) along with such other applicable provisions of the Tax Laws shall prevail and the Scheme shall stand modified to the extent necessary to comply with such provisions. Such modifications will however not affect the other parts of the Scheme.



16. CONSIDERATION

- 16.1. The entire issued, subscribed and paid-up capital of the Transferor Company is held by the Transferee Company either in its own name or through its nominees.
- 16.2. Hence, upon the Scheme becoming effective and amalgamation of the Transferor Company with the Transferee Company in terms of this Scheme, all the equity share capital issued by the Transferor Company shall and held by Transferee Company and/ or its nominees, on and from the Appointed Date, be cancelled or shall be deemed to have been cancelled and extinguished without any further act or deed of any party on and from the Appointed Date and in lieu thereof, no allotment of any shares in Transferee Company shall be made to any person whatsoever.

17. STAFF, WORKMEN AND EMPLOYEES

- 17.1. Upon the Scheme becoming effective, all staff, workmen and employees of the Transferor Company (being the Remaining Undertaking of the Transferor Company) in service at the end of the Transition Period shall be deemed to have become staff, workmen and employees of the Transferee Company with effect from the Appointed Date or the date of joining, whichever is later, without any break or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company shall not be less favorable than those applicable to them with reference to their employment with the Transferor Company at the end of the Transition Period.
- 17.2. It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, superannuation fund or any other special fund or trusts, if any, created or existing for the benefit of the staff, workmen and employees of the Transferor Company (being the Remaining Undertaking of the Transferor Company) shall become trusts/ funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such fund or funds shall become those of the Transferee Company. Until such time of such merger of funds takes place the said funds will be maintained separately with all contributions to be made to the said employees' accounts by the Transferee Company. It is clarified that, for the purpose of the said fund or funds or for payment of any terminal benefits, the services of the staff, workmen and employees of the Transferor Company will be treated as having been continuous with the Transferee Company from the date of employment as reflected in the records of the Transferor Company (being the Remaining Undertaking of the Transferor Company).



18. LEGAL PROCEEDINGS

- 18.1. If any suit, appeal or other proceeding of whatever nature by or against any of the Transferor Company relating to the Remaining Undertaking of the Transferor Company are pending, including those arising on account of taxation laws and other allied laws, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the arrangement by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company, as if this Scheme had not been made.
- 18.2. On and from the end of the Transition Period, the Transferee Company may, if required, initiate or defend any legal proceedings in relation to the rights, title, interest, obligations or liabilities of any nature whatsoever, whether under contract or law or otherwise, of the Transferor Company relating to the Remaining Undertaking of the Transferor Company and to the same extent as would or might have been initiated by or defended by the Transferor Company.

19. POWER TO GIVE EFFECT TO THIS PART

- 19.1. Upon approval of the Scheme by the Tribunal, the resolutions of the Transferor Company as are considered necessary by the Board of Directors of the Transferee Company which are validly subsisting to be considered as resolutions of the Transferee Company. If any such resolutions have any monetary limits approved under the provisions of the Act or of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Directors of the Transferee Company, shall be added to the limits, if any, under like resolutions passed by the Transferee Company.
- 19.2. The Transferee Company shall enter into and/ or issue and/ or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Company (being the Remaining Undertaking of the Transferor Company) will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, the Transferee Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Transferor Company relating to the Remaining Undertaking of the Transferor Company and to implement or carry out all formalities required on



the part of the Transferor Company relating to the Remaining Undertaking of the Transferor Company to give effect to the provisions of this Scheme.

20. TAXATION MATTERS

- 20.1. Upon the Scheme becoming effective, all taxes payable by the Transferor Company (being the Remaining Undertaking of the Transferor Company) under the Income-tax Act, 1961, Finance Act, 1994, Customs Act, 1962, Central Excise Act, 1944, State Sales Tax laws, Central Sales Tax Act, 1956, Goods and Service Tax Act, 2017 or other applicable laws/ regulations dealing with taxes/ duties/ levies (hereinafter referred to as "Tax Laws") shall be to the account of the Transferee Company; similarly all credits for tax deduction at source on income of the Transferor Company (being the Remaining Undertaking of the Transferor Company), or obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company (being the Remaining Undertaking of the Transferor Company) shall be made or deemed to have been made and duly complied with by the Transferee Company if so made by the Transferor Company. Similarly, any advance tax payment required to be made for by the specified due dates in the Tax Laws shall also be deemed to have been made by the Transferee Company if so made by the Transferor Company. Further, the Minimum Alternate Tax paid by the Transferor Company under Section 115JB and/ or other provisions (as applicable) of the Income-tax Act, 1961, shall be deemed to have been paid on behalf of the Transferee Company.
- 20.2. Any refunds under the Tax Laws due to the Transferor Company consequent to the assessments made on the Transferor Company (being the Remaining Undertaking of the Transferor Company) and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.
- 20.3. All taxes of any nature, duties, cesses or any other like payments or deductions made by the Transferor Company (being the Remaining Undertaking of the Transferor Company) or any of its agents to any statutory authorities such as Income-tax, sales tax, and service tax, or any tax deduction/ collection at source, tax credits under Tax Laws, relating to the period after the Appointed Date shall be deemed to have been on account of or paid by the Transferee Company, and the relevant authorities shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon completion of Transition Period as on the Effective Date and upon relevant proof and documents being provided to the said authorities.



- 20.4. Allowance of deduction under Sections 40(a) and 43B of the Income-tax Act, 1961, in the year of payment, of such expenses previously disallowed in the hands of the Transferor Company (being the Remaining Undertaking of the Transferor Company), shall vest in and become available to the Transferee Company pursuant to this Scheme.
- 20.5. All cheques and other negotiable instruments and payment orders received in the name of the Transferor Company (being the Remaining Undertaking of the Transferor Company) after the end of Transition Period shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company. Similarly, the banker of the Transferee Company shall honour cheques issued by the Transferor Company for payment on or after the Appointed Date and presented after the end of Transition Period.

21. ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEEE COMPANY

Upon the Scheme becoming effective, the amalgamation of the Transferor Company (being the Remaining Undertaking of the Transferor Company) with Transferee Company shall be accounted in the books of Transferee Company as per the 'Pooling of Interest Method' under the Appendix C of Indian Accounting Standard 103 – "Business Combinations" notified under Section 133 of the Act read with relevant rules issued thereunder and other applicable accounting standards prescribed under the Act.

- 21.1. The Transferee Company shall record the assets, liabilities and reserves, if any, of Transferor Company pertaining to the Remaining Undertaking of the Transferor Company vested in it pursuant to this Scheme, at their respective book values thereof and in the same form as appearing in the consolidated financial statements of the Transferee Company;
- 21.2. The value of the investments in the shares of the Transferor Company as held by the Transferee Company inter-se shall stand cancelled, without any further act or deed;
- 21.3. The inter-company loans, advances, deposits or other obligations between the Transferor Company (being the Remaining Undertaking of the Transferor Company) and the Transferee Company, if any, will stand cancelled and there shall be no further obligation in that behalf;



- 21.4. The identity of the reserves, if any, pertaining to the Remaining Undertaking of the Transferor Company shall be preserved and the Transferee Company shall record such reserves of the Transferor Company in the same form and at the carrying amount as appearing in the consolidated financial statements of the Transferee Company.
- 21.5. Further, the surplus or deficit, if any arising after taking the effect of above clauses shall be transferred to “Capital Reserves” or “Amalgamation Adjustment Deficit Account” respectively, as the case may be, in the financial statements of the Transferee Company and shall be presented separately from other reserves with disclosure of its nature and purpose in the notes to the financial statements
- 21.6. In case of any differences in accounting policies between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies.
- 21.7. Comparative financial information in the financial statements of the Transferee Company shall be restated for the accounting impact of amalgamation, as stated above, as if the amalgamation had occurred from the beginning of the comparative period.
- 21.8. Any matter not dealt with hereinabove shall be dealt with in accordance with the requirements of applicable Ind AS.

22. TRANSACTIONS DURING THE TRANSITION PERIOD

During the Transition Period:

- 22.1. The Transferor Company (being the Remaining Undertaking of the Transferor Company) shall carry on and be deemed to have carried on their respective business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of their respective businesses and Undertaking for and on account of and in trust for the Transferee Company;
- 22.2. The Transferor Company (being the Remaining Undertaking of the Transferor Company) shall carry on their respective business and activities in the ordinary course of business with reasonable diligence and business prudence;



- 22.3. With effect from the Appointed Date and up to the end of the Transition Period, Transferor Company shall not, without the written consent of Transferee Company, undertake any new business;
- 22.4. With effect from Appointed Date of the Scheme and up to the end of the Transition Period, Transferor Company shall not sell, transfer or alienate, charge, mortgage or encumber or otherwise deal with or dispose of any of their Undertaking (being the Remaining Undertaking of the Transferor Company) or any part thereof save and except in each case:
- a. if the same is in the ordinary course of business of the Transferor Company as carried on by them as on the date of filing this Scheme with the Central Government/ Jurisdictional Regional Director/ Tribunal, as the case may be; or
 - b. if the same is expressly permitted by this Scheme; or
 - c. if the same is carried out by operation of law; or
 - d. if the prior written consent of the Board of Directors of the Transferee Company has been obtained.
- 22.5. All the profits or income accruing or arising to the Transferor Company (being the Remaining Undertaking of the Transferor Company) or expenditure or losses incurred or arising to the Transferor Company, shall for all purposes be treated and deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of the Transferee Company; and
- 22.6. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other Government Authorities/ agencies concerned, as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferor Company.



23. SAVING OF CONCLUDED TRANSACTIONS

Subject to the terms of this Scheme, the transfer and vesting of the Undertaking of the Transferor Company (being the Remaining Undertaking of the Transferor Company) under this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or concluded after the end of the Transition Period, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

24. CHEQUES ETC

All cheques and other negotiable instruments and payment orders received in the name of the Transferor Company after the end of Transition Period shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company. Similarly, the banker of the Transferee Company shall honour cheques issued by the Transferor Company for payment on or after the Appointed Date and presented after the end of Transition Period.

25. WINDING UP

On the Scheme becoming effective, Transferor Company shall stand dissolved without being wound up without any further act by the parties. On and with effect from the Effective Date, the name of Transferor Company shall be struck-off from the records of the relevant ROC. Transferee Company shall make all necessary filings in this regard. Any obligations/ steps which need to be undertaken by Transferor Company pursuant to the sanction of this Scheme shall be fulfilled by Transferee Company.

26. AGGREGATION AND INCREASE IN AUTHORISED SHARE CAPITAL AND AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE TRANSFEREE COMPANY

- 26.1. On coming into effect of this Scheme, the authorized share capital of Transferor Company shall be deemed to have been reclassified into equity shares of INR 2/- (Indian Rupees Two Only) each and shall stand transferred to and be amalgamated with the authorized share capital of Transferee Company without any requirement of any further act, instrument or deed on the part of Transferee Company, including payment of stamp duty and fees payable to the relevant Registrar of Companies.



- 26.2. On coming into effect of this Scheme, the authorized share capital of Transferee Company shall automatically stand increased, by the authorized share capital of Transferor Company amounting to INR 15,00,00,000 (Indian Rupees Fifteen Crores Only), without any further act or deed on the part of Transferee Company, including payment of stamp duty and fees payable to the relevant Registrar of Companies, and the Memorandum of Association and Articles of Association of Transferee Company accordingly without any further act or deed be and stand altered, modified and amended, and the consent of the shareholders be deemed to be sufficient no further resolution(s) under Section 13, Section 61 or any other applicable provisions of the Act, would be required to be separately passed. For this purpose, the filing fees and stamp duty already paid by Transferor Company towards their respective authorized share capital shall be utilized and applied to and set off against any fees payable on the increased authorized share capital of Transferee Company and shall be deemed to have been so paid by Transferee Company on such combined authorized share capital and accordingly, Transferee Company shall not be required to pay any fees/ stamp duty on the authorized share capital so increased. However, for any additional increase in the authorized share capital as required necessary differential fees as per the provisions of the Act and stamp duty would be required to be paid.
- 26.3. Pursuant to the Scheme and after the Scheme becomes effective, the authorized share capital of Transferee Company will be INR 126,00,00,000 (Indian Rupees One Hundred and Twenty Six Crores Only) divided into 63,00,00,000 (Sixty Three Crores Only) equity shares of INR. 2/- (Indian Rupees Two Only) each.
- 26.4. It is clarified that the approval of the members of Transferee Company to the Scheme shall be deemed to be their consent/approval also to the alteration of the Memorandum and Articles of Association of Transferee Company as may be required under the Act, and Clause V of the Memorandum of Association of Transferee Company shall respectively stand substituted by virtue of the Scheme to read as follows:

“V. The authorized share capital of the Company is Rs.1,260,000,000/- (Rupees One Billion Two hundred sixty million only) divided into 630,000,000 (Six Hundred and Thirty Million Only) Equity Shares of par value of Rs.2/- (Rupees Two only) each”



PART D**GENERAL TERMS AND CONDITIONS****27. SCHEME CONDITIONAL ON APPROVAL / SANCTIONS**

27.1. The Scheme is conditional upon subject to:

22.1.1. Approval of the scheme by relevant regulatory authorities;

22.1.2. Sanction of the Scheme by the NCLT;

22.1.3. Certified copies of the orders of the NCLT, sanctioning the Scheme being filed with the ROC.

27.2. In the event of this Scheme failing to take effect finally, this Scheme shall become null and void and in that case no rights and liabilities whatsoever shall accrue to or be incurred inter-se by the parties or their shareholders or creditors or employees or any other person.

28. APPLICATION TO THE NCLT

28.1. All the companies involved in the scheme shall, with all reasonable dispatch, make applications to the NCLT, under Sections 230 to 232 of the Act and other applicable provisions of the Act, seeking orders for dispensing with or convening, holding and conducting of the meetings of the classes of their respective members and / or creditors and for sanctioning this Scheme, with such modifications as may be approved by the NCLT.

28.2. Upon this Scheme being approved by the requisite majority of the respective members, and creditors of the Demerged Company or Transferor Company (as applicable), the Resulting Company or the Transferee Company (as may be directed by the NCLT), the Demerged Company or Transferor Company (as applicable), Resulting Company or Transferee Company with all reasonable dispatch, apply to the NCLT, for sanction of this Scheme under Sections 230 to 232 of the Act and other applicable provisions of the Act, and for such other order or orders, as the said NCLT may deem fit for carrying this Scheme into effect.



28.3. Upon approval of the Scheme by the Tribunal, the respective shareholders of the all the companies involved in the scheme shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the provisions contained in this Scheme.

28.4. Subject to necessary consents being obtained in accordance with the terms of this Scheme, the provisions contained in Part-B and Part-C of this Scheme shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the provisions contained in Part-B and Part-C of this Scheme.

29. COMPLIANCE WITH SEBI REGULATIONS

29.1. The Transferee Company shall comply with the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI Circulars, Listing Agreements, SEBI Regulations, other applicable provisions, if any, in connection with this Scheme and other connected matters.

29.2. Since the present Scheme solely provides for amalgamation of wholly owned subsidiary with the Transferee Company, no formal approval, NOC or vetting is required from the Stock Exchange(s) or SEBI for the Scheme, in terms of the provisions of the SEBI Circular and any other applicable provisions, if any.

29.3. In terms of the SEBI Scheme Circular, the Composite Scheme of Arrangement is only required to be filed with the Stock Exchange(s) for the purpose of disclosure and dissemination on their websites.

30. MODIFICATIONS / AMENDMENTS TO THE SCHEME

30.1. All the companies involved in the scheme, represented 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 NCLT 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).



- 30.2. All the companies involved in the scheme shall be at liberty to withdraw from this Scheme, in case of any condition or alteration imposed by the NCLT or any other authority or any bank or financial institution is unacceptable to them or otherwise if so mutually agreed.
- 30.3. All the companies involved in the scheme by their respective Board of Directors shall be authorized 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.
- 30.4. The Parties, by their respective Board of Directors may assent to any modifications/ amendments to the Scheme or to any conditions or limitations that the NCLT and/or any other authority, as 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). The Parties, by their respective Board of Directors be and are hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions of law or otherwise, whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith. The aforesaid powers of the Board shall be exercised with the approval of the NCLT.

31. EFFECT OF NON-RECEIPT OF APPROVALS/ SANCTIONS

- 31.1. In the event of any of the said sanctions approvals not being obtained and / or the Scheme not being sanctioned by the NCLT, 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.
- 31.2. The Board of Directors of Demerged Company or Transferor Company, Resulting Company, or Transferee Company shall be entitled to withdraw this scheme. Further the Board of Directors of the Parties shall be entitled to revoke, cancel and declare the Scheme to be of no effect if the Board of Directors of the Parties are of the view that the coming into effect of the Scheme in terms of the



provisions of this Scheme of filing of the drawn up orders with any authority could have an adverse implication(s) on all or any of the Parties.

32. COST, CHARGES, AND EXPENSES

All costs, charges, fees, taxes including duties (including the stamp duty and/or transfer charges, if any, applicable in relation to this Scheme), levied and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing the terms and conditions and matters incidental thereto in relation to Part B of this Scheme shall be borne and paid by Resulting Company, in relation to Part C of this Scheme shall be borne and paid by the Transferee Company.

33. SEVERABILITY

- 33.1. Each Part of the Scheme is independent of other Parts and is severable. The Scheme shall be effective only upon passing of the order by the jurisdictional NCLT. However, (i) failure of any one Part for lack of necessary approval from the members, creditors or any appropriate authority or for any other reason that the concerned Board may deem fit; or (ii) the concerned Boards coming to the conclusion that it is inexpedient or inefficient to give effect to any Part or any transaction contemplated therein, shall not result in the whole Scheme failing. It shall be open to the concerned Boards to consent to sever such Part(s) of the Scheme or any transaction contemplated therein and implement the rest of the Scheme with such modifications
- 33.2. If any part of this Scheme is found to be unworkable or unenforceable for any reason whatsoever, the same shall not, subject to the decision of the Companies through their respective Boards, affect the validity or implementation of the other parts and/ or provisions of this Scheme.

34. NO CAUSE OF ACTION

No third party claiming to have acted or changed his position in anticipation of this Scheme taking effect, shall get any cause of action against the Parties or their directors or officers, if this Scheme does not take effect or is withdrawn, amended, modified for any reason whatsoever.



35. MISCELLANEOUS

- 35.1. The mutation of the title in respect of the immovable properties shall be made and duly recorded by the appropriate authorities pursuant to the sanction of the Scheme and Upon approval of the Scheme by the Tribunal, in accordance with the terms hereof, in favour of the Resulting Company or Transferee Company as the case may be, in respect of the immovable properties vested in it (if any). Any inchoate title or possessory title of the Demerged Company or Transferor Company (as case may be) or its predecessor companies shall be deemed to be the title of the Resulting Company or Transferee Company, as the case may be.
- 35.2. It is the intention of the Parties that any Part of the Scheme, as may be mutually decided by the Board of each of Parties, shall be severable from the remainder of the Scheme, and the Scheme shall not be affected by such alteration.

For LAURUS SYNTHESIS PRIVATE LIMITED


Director

For Sriam Labs Private Limited


Director

For LAURUS LABS LIMITED


V. V. RAVI KUMAR
EXECUTIVE DIRECTOR & CFO

Schedule – I

This Schedule forms an integral part of the Composite Scheme of Arrangement between Laurus Synthesis Private Limited, Sriam Labs Private Limited and Laurus Labs Limited and their respective shareholders and creditors.

Immovable properties of **Laurus Synthesis Private Limited** being transferred by way of demerger into **Sriam Labs Private Limited**:

S. No.	Particulars	Regd. Sale Deed Document No. & Date	Boundaries
1	Unit-1 – 4.00 acres of land along with buildings situated in Plot No.74-B, Jawaharlal Nehru Pharma City, Thanam Revenue village, Parawada, Anakapalli district – 531 021, Andhra Pradesh	1302/2020 dated 05 th June 2020	East : Plot No.75; West : Plot No.73 & Open space; North : Plot No.74A; South : 22 M wide Road



Schedule – IIA

This Schedule forms an integral part of the Composite Scheme of Arrangement between Laurus Synthesis Private Limited, Sriam Labs Private Limited and Laurus Labs Limited and their respective shareholders and creditors.

Immovable properties of **Laurus Synthesis Private Limited** being transferred by way of merger into **Laurus Labs Limited**:

.S. No.	Particulars	Regd. Sale Deed Document No. & Date	Boundaries
1	Unit – 3 – 15 Acres of Land situated in Plot No.16B, Jawaharlal Nehru Pharma City, Thadi Revenue Village, Parawada, Anakapalli district – 531 021, Andhra Pradesh	3212/2021 dated 21 st August 2021	North: Existing 30 M wide Road – Road No.11; South: Plot No.16C; East: Existing 30 M wide Road – Road No.19; West: Plot No.16A



Schedule-IIB

List of Lease Deeds of Laurus Synthesis Private Limited being transferred by way of merger into Laurus Labs Limited:

S. No.	Regd. Lease Deed Document No. & Date	Boundaries
1	Lease Deed No. 4012/2021 dated 24 th June 2021 for the Unit – 2 & 4 –24.22 acres of Land along with Buildings situated in Plot No.18A1, APSEZ De-Notified Area, Gurajapalem Village, Rambilli Mandal, Anakapalli – 531 011, Andhra Pradesh	North: APSEZ Compound Wall & Plot No.2C; South: Existing 30 M wide 9 th Main Road; East: Plot No.18B & Water Body; West: Plot No.18A
2	Lease Deed No.711/2021 dated 1 st October 2020 for the R&D Centre – Leasehold Land of 5.4 acres along with Buildings in Plot No.DS-15, IKP Knowledge Park, Survey No.542/2, Koltur Village, Shamirpet Mandal, Medchal-Malkajgiri District, Telangana – 500 101	North: SINC Building of IKP; South: Boundary wall of IKP; East: Boundary wall of IKP; West: Road

