RANBAXY
Trusted medicines.Healthier lives

CORPORATE OFFICE: PLOT NO. 90, SECTOR-32, GURGAON-122001 (HARYANA), INDIA
PHONE: +91-124-4135000 FAX: +91-124-4106490
E-mail: secretarial@ranbaxy.com

August 19, 2014

TO: **STOCK EXCHANGES**

Dear Sirs,

Sub: Court Convened Meeting of the Equity Shareholders of the Company on Friday, 19th September, 2014

Pursuant to an Order dated 5th August, 2014, the Honb'le High Court of Punjab and Haryana at Chandigarh has directed that a meeting of the Equity Shareholders of Ranbaxy Laboratories Limited will be held on Friday, 19th September, 2014 at 11:00 A.M. at Auditorium of The National Institute of Pharmaceutical Education and Research (NIPER), Sector-67, S.A.S. Nagar (Mohali)-160062, Punjab, for considering Scheme of Arrangement providing inter-alia merger of the Company with Sun Pharmaceutical Industries Limited.

In this regard, please find enclosed the Notice alongwith the explanatory statement as sent to the shareholders for the said meeting.

Thanking you,

Yours faithfully,
For Ranbaxy Laboratories Limited

Navneet Raghuvanshi
Dy. Company Secretary

Encl.: As above.

RANBAXY

Trusted medicines.Healthier lives

RANBAXY LABORATORIES LIMITED
CIN: L24231PB1961PLC003747
Regd. Office: A-41, Industrial Area Phase VIII-A, Sahibzada Ajit Singh Nagar, Mohali-160 071 (Punjab)
E-mail: secretarial@ranbaxy.com Website: http://www.ranbaxy.com

COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF RANBAXY LABORATORIES LIMITED

DAY	FRIDAY
DATE	19th SEPTEMBER, 2014
TIME	11:00 A.M.
VENUE	Auditorium of The National Institute of Pharmaceutical Education and Research (NIPER), Sector-67, S.A.S. Nagar (Mohali)-160062, Punjab.

INDEX

S. NO.	PARTICULARS	PAGE NOS.
1.	Notice of Court Convened Meeting of the Equity Shareholders of Ranbaxy Laboratories Limited	3 - 4
2.	Explanatory Statement under Section 393 of the Companies Act, 1956 read with Section 102 of the Companies Act, 2013 (Section 173 of the Companies Act, 1956)	5 - 17
3.	Scheme of Arrangement between Ranbaxy Laboratories Limited (Transferor Company) and Sun Pharmaceutical Industries Limited (Transferee Company) and their respective members under Sections 391 to 394 read with, Sections 78 and 100 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013	18 - 33
4.	Copy of Valuation Report dated 6th April, 2014 issued by M/s. Walker Chandiok & Co LLP	34 - 41
5.	Copy of Fairness Opinion dated 6th April, 2014 issued by ICICI Securities Limited	42 - 45
6.	Copy of Chartered Accountant's Certificate dated 13th June, 2014 indicating the net worth of Ranbaxy Laboratories Limited as at 31st March, 2014	46
7.	Copy of Chartered Accountant's Certificate dated 30th April, 2014 showing increase in the net worth of Sun Pharmaceutical Industries Limited post the Scheme of Arrangement becoming effective	47 - 50
8.	Copy of the Observation Letters of: (a) BSE Limited dated 10th July, 2014 including SEBI observation letter dated 10th July, 2014; and (b) National Stock Exchange of India Limited dated 11th July, 2014	51 -54
9.	Copy of the Complaints Report dated 10th June, 2014 submitted by Ranbaxy Laboratories Limited with the Stock Exchanges	55 - 56
10.	Form of Proxy	57
11.	Attendance Slip	59

This page has been intentionally left blank.

IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

COMPANY PETITION NO. 132 OF 2014

IN THE MATTER OF THE COMPANIES ACT, 1956 AND THE COMPANIES ACT, 2013;

-AND-

IN THE MATTER OF SECTIONS 391 AND 394 OF THE COMPANIES ACT, 1956 INCLUDING REDUCTION OF CAPITAL AND RESERVES AND SURPLUS PURSUANT TO SECTION 78 (INCLUDING CORRESPONDING SECTION 52 OF THE COMPANIES ACT, 2013), SECTION 100 AND OTHER RELEVANT PROVISIONS OF THE COMPANIES ACT

-AND-

IN THE MATTER OF A SCHEME OF ARRANGEMENT BETWEEN:

RANBAXY LABORATORIES LIMITED

-AND-

SUN PHARMACEUTICAL INDUSTRIES LIMITED

1. RANBAXY LABORATORIES LIMITED

Registered Office at A-41, Industrial Area Phase VIII-A, SAS Nagar, Mohali - 160 071, (Punjab)

....TRANSFEROR COMPANY

2. SUN PHARMACEUTICAL INDUSTRIES LIMITED

Registered Office at SPARC, Tandalja, Vadodara – 390 020

....TRANSFEREE COMPANY

NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDERS OF RANBAXY LABORATORIES LIMITED

To

The Equity Shareholders of Ranbaxy Laboratories Limited, the Transferor Company

TAKE NOTICE that by an Order made on 5th August, 2014, the Hon'ble High Court of Punjab & Haryana at Chandigarh has directed that the meeting of the Equity Shareholders of Ranbaxy Laboratories Limited, be convened for the purpose of considering, and if though fit, approving, with or without modification(s), the following Resolutions relating to the Scheme of Arrangement between Ranbaxy Laboratories Limited (***Ranbaxy / Transferor Company***) and Sun Pharmaceutical Industries Limited (***Sun / Transferee Company***):

"**RESOLVED THAT** the Scheme of Arrangement between Ranbaxy Laboratories Limited and Sun Pharmaceutical Industries Limited as placed before the meeting and, for the purpose of identification, initialed by the Chairman of the meeting be and is hereby approved subject to the said Scheme of Arrangement being sanctioned by the Hon'ble High Court of Punjab and Haryana at Chandigarh under Sections 391-394 and other applicable provisions, if any, of the Companies Act, 1956 and such other approvals as may be required."

"**RESOLVED FURTHER THAT** pursuant to Section 78 (including corresponding Section 52 of the Companies Act, 2013), Section 100 and other relevant provisions, if any of the Companies Act, 1956, the Articles of Association of the Company and subject to the sanction of the Scheme of Arrangement between Ranbaxy Laboratories Limited and Sun Pharmaceutical Industries Limited by the Hon'ble High Court of Punjab and Haryana at Chandigarh under Sections 391-394 and other applicable provisions, if any, of the Companies Act, 1956, reduction of capital and reserves and surplus as provided under the Scheme of Arrangement be and is hereby approved."

"**RESOLVED FURTHER THAT** the Board of Directors (which term includes any Committee thereof) of the Company, be and is hereby authorised to do all such acts, deeds, matters and things as are considered requisite or necessary to effectively implement the Scheme of Arrangement and to accept such modification(s) and/or conditions, if any, which may be required and/or imposed by the Hon'ble High Court of Punjab and Haryana at Chandigarh while sanctioning the Scheme of Arrangement or by any authority under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in carrying out and/or implementing the Scheme of Arrangement."

TAKE FURTHER NOTICE that in pursuance of the said order and as directed therein, a meeting of the Equity Shareholders of Ranbaxy will be held on Friday, 19th September, 2014 at 11:00 A.M. at Auditorium of The National Institute of Pharmaceutical Education and Research (NIPER), Sector-67, S.A.S. Nagar (Mohali)-160062, Punjab at which time and place you are requested to attend and vote.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy, provided that the proxy in the prescribed form, duly signed by you or your authorised representative is deposited at the Registered Office of Ranbaxy situated

at A-41, Industrial Area Phase VIII-A, SAS Nagar, Mohali - 160 071, (Punjab) not later than 48 (forty eight) hours before the commencement of the meeting. Please carry proper proof of identification at the meeting venue for verification.

The Hon'ble High Court has appointed Mr. Harkesh Manuja, Advocate as the Chairman and Ms. Puneeta Sethi, Advocate as the Co-Chairman of the said meeting.

Inter alia copy of the Explanatory Statement under Section 393 of the Companies Act, 1956, the Scheme of Arrangement, Observation letters of BSE Limited and National Stock Exchange of India Limited, Form of Proxy and Attendance Slip are enclosed.

Sd/-

Dated : 14th August, 2014 — Harkesh Manuja

Place : Chandigarh — Chairman appointed for the meeting

NOTES:

1. All alterations made in the proxy form should be initialed.
2. Only registered Equity Shareholders of Ranbaxy may attend and vote (either in person or by proxy or by the authorized representative under applicable provisions of the Companies Act, 1956) at the meeting. The authorized representative of a body corporate which is a registered Equity Shareholder of Ranbaxy may attend and vote at the meeting, provided a certified copy of the resolution of the Board of Directors or other governing body of the body corporate authorizing such representative to attend and vote at the meeting is deposited at the Registered Office of Ranbaxy not later than 48 (forty eight) hours before the meeting.
3. Foreign institutional investors who are registered Equity Shareholder of Ranbaxy would be required to deposit certified copies of custodial resolutions/power of attorney, as the case may be, authorizing the individuals named therein, to attend and vote at the meeting on its behalf. These documents must be deposited at the Registered Office of Ranbaxy not later than 48 (forty eight) hours before the meeting.
4. A registered Equity Shareholder or his proxy is requested to bring copy of the notice to the meeting and produce at the entrance of the meeting venue, the attendance slip duly completed and signed.
5. Registered Equity Shareholders who hold shares in dematerialised form are requested to bring their Client ID and DP ID No. for easy identification of the attendance at the meeting.
6. The proxy need not be a member of the Company.
7. Members are informed that in case of joint holders attending the meeting, only such joint holders whose name stands first in the Register of Members of Ranbaxy in respect of such joint holding will be entitled to vote.

Encls: As above.

IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

COMPANY PETITION NO. 132 OF 2014

IN THE MATTER OF THE COMPANIES ACT, 1956 AND THE COMPANIES ACT, 2013;

-AND-

IN THE MATTER OF SECTIONS 391 AND 394 OF THE COMPANIES ACT, 1956 INCLUDING REDUCTION OF CAPITAL AND RESERVES AND SURPLUS PURSUANT TO SECTION 78 (INCLUDING CORRESPONDING SECTION 52 OF THE COMPANIES ACT, 2013), SECTION 100 AND OTHER RELEVANT PROVISIONS OF THE COMPANIES ACT

-AND-

IN THE MATTER OF A SCHEME OF ARRANGEMENT BETWEEN:

RANBAXY LABORATORIES LIMITED

-AND-

SUN PHARMACEUTICAL INDUSTRIES LIMITED

1. RANBAXY LABORATORIES LIMITED

Registered Office at A-41, Industrial Area Phase VIII-A, SAS Nagar, Mohali - 160 071, (Punjab)

....TRANSFEROR COMPANY

2. SUN PHARMACEUTICAL INDUSTRIES LIMITED

Registered Office at SPARC, Tandalja, Vadodara – 390 020

....TRANSFEREE COMPANY

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956 TO THE SCHEME OF ARRANGEMENT BETWEEN RANBAXY LABORATORIES LIMITED AND SUN PHARMACEUTICAL INDUSTRIES LIMITED

1. The accompanying Notice (Notice) has been sent for convening the meeting of the Equity Shareholders of Ranbaxy Laboratories Limited for the purpose of : (a) considering and, if thought fit, approving with or without modification(s), the Scheme of Arrangement (***Scheme***) between Ranbaxy Laboratories Limited (***Ranbaxy / Transferor Company***) and Sun Pharmaceutical Industries Limited (***Sun / Transferee Company***); and (b) reduction of capital and reserves and surplus of Ranbaxy as provided under the Scheme pursuant to Section 78 (including corresponding Section 52 of the Companies Act, 2013), Section 100 and other relevant provisions of the Companies Act, 1956.

2. Pursuant to the Order dated 5th August, 2014 passed by the Hon'ble High Court of Punjab and Haryana at Chandigarh (***Order***) in the company petition referred to above, a meeting of the Equity Shareholders of Ranbaxy is being convened for the purposes of considering and, if thought fit, approving with or without modification(s), the Scheme which is annexed to the Notice. The Order will be available for inspection at the Registered Office of Ranbaxy between 10:00 A.M. to 5:00 P.M. on any working day, prior to the date of the meeting. This statement explaining the terms of the Scheme is being furnished as required under Section 393(1)(a) of the Companies Act, 1956 (***Act***).

3. Ranbaxy was incorporated on 16th June, 1961 under the provisions of the Act by the name and style of Lepetit Ranbaxy Laboratories Private Limited as per the certificate of registration issued by the Registrar of Companies, Delhi. Ranbaxy became a deemed public limited company effective 20th March, 1962 and then was converted into a public limited company effective 24th August, 1966. Ranbaxy was again converted to a private limited company effective 28th October, 1970 and subsequently converted on 27th September, 1973 as a Public Limited Company under the Act by the name and style of Ranbaxy Laboratories Limited as per the certificate of registration issued by the Registrar of Companies, Delhi and Haryana. The Registered Office of Ranbaxy was changed from the State of Delhi to the State of Punjab on 27th June, 1977.

4. Ranbaxy was formed inter alia with the object of manufacturing and marketing of pharmaceutical products. Ranbaxy is an integrated international pharmaceutical organization with businesses encompassing the entire value chain in the marketing, production and distribution of dosage forms and active pharmaceutical ingredients along with its subsidiaries. Further, Ranbaxy is also engaged in the business of consumer healthcare products.

5. The Registered Office of Ranbaxy is situated at A-41, Industrial Area Phase VIII-A, SAS Nagar, Mohali - 160 071, (Punjab).

6. The share capital of Ranbaxy as on 31st March, 2014 is as follows:

Particulars	Amount (RS.)
Authorized share capital	
598,000,000 equity shares of face value Rs. 5/- each.	2,99,00,00,000
100,000 Cumulative Reedemable Preference shares of face value Rs. 100/- each	1,00,00,000
TOTAL	**3,00,00,00,000**
Issued, subscribed and paid-up share capital	
42,37,79,063 subscribed, fully-paid up equity shares of face value Rs. 5/- each. (Including 62,94,081 equity shares represented by the GDRs).	2,11,88,95,315
TOTAL	**2,11,88,95,315**

7. Ranbaxy has allotted 26,747 equity shares on 14th April, 2014 and 2,07,529 equity shares on 14th July, 2014 to its employees who have exercised their vested stock options under the employee stock option schemes of Ranbaxy. Subsequent to such allotment, the present issued, subscribed and paid up share capital of Ranbaxy is as follows:

Issued, subscribed and paid-up share capital	
42,40,13,339 subscribed, fully-paid up equity shares of face value Rs. 5/- each. (Including 1,02,41,923 equity shares represented by the GDRs as on 30th June, 2014).	2,12,00,66,695
TOTAL	**2,12,00,66,695**

8. During the 15 (fifteen) months period ended 31st March, 2014, Ranbaxy in its standalone capacity, had the total revenue of Rs. 6864.94 crores and the net loss of Rs. 878.99 crores. Ranbaxy has reserves and surplus of Rs. 884.83 crores as on 31st March, 2014.

9. The main objects of Ranbaxy are set out in its Memorandum of Association.

10. The Equity Shares of Ranbaxy are listed on the BSE Limited (***BSE***) and National Stock Exchange of India Limited (***NSE***). The Non-Convertible Debentures (**NCDs**) issued by Ranbaxy are listed on the wholesale debt market of the NSE. Global Depository Receipts (**GDRs**) are listed on the Stock Exchange at Luxembourg.

11. Sun Pharmaceutical Industries Limited was incorporated on 1st March, 1993 under the provisions of the Act and came into existence under Part IX of the Act by conversion of a partnership firm in the name and style of Sun Pharmaceutical Industries with its running business activities. Sun has acquired several other companies by way of amalgamations - details of the same are as follows. By order dated 19th November, 1997 of the High Court of Gujarat, Tamilnadu Dadha Pharmaceuticals Limited was amalgamated with Sun. By order dated 12th February, 1998 of the High Court of Gujarat, Milmet Laboratories Pvt. Limited was amalgamated with Sun. By order dated 27th March, 2000 of the Board for Industrial & Financial Reconstruction, Gujarat Lyka Organics Limited was merged with Sun. By order dated 16th November, 2000 of the High Court of Gujarat, Sun Pharmaceutical Exports Limited was amalgamated with Sun. By order dated 12th July, 2001 of the High Court of Gujarat, Sun Pharmaceutical Advanced Research Centre Limited was amalgamated with Sun. By order dated 17th May, 2002 of the Board for Industrial & Financial Reconstruction, Bulk Drugs Division of M.J. Pharmaceuticals Limited was merged with Sun. By order dated 14th July, 2005 of the High Court of Gujarat, three wholly owned subsidiaries viz. Bazley Finvest Limited, Dhaval Finvest Limited and Manish Finvest Limited were amalgamated with Sun. By order dated 28th July, 2005, Phlox Pharmaceuticals Limited was amalgamated with Sun. Further vide order dated 1st September, 2006 and 1st March, 2007, of the High Court of Gujarat, Innovative Research and Development Business of Sun was de-merged and transferred to Sun Pharma Advanced Research Company Limited. Further by order dated 3rd May, 2013 of the High Court of Gujarat, Domestic Formulation Undertaking of Sun was spun off and transferred to Sun Pharma Laboratories Limited. Further, by order dated 10th July, 2014, 'Specified Undertaking' of Sun Pharma Global FZE was de-merged and transferred to Sun.

12. Sun is a listed public limited company and leading pharmaceutical company in India, engaged in the business of development, manufacture, sale, trading, and export of various generic drug formulations, manufacture of drugs and pharmaceutical products.

13. The Registered Office of Sun is situated at SPARC, Tandalja, Vadodara - 390020 within the jurisdiction of High Court of Gujarat.

14. The share capital of Sun as per its provisional Balance Sheet as on 31st March, 2014 is as follows:

Particulars	Amount (RS.)
Authorized share capital	
3,00,00,00,000 equity shares of face value Rs. 1/- each.	3,00,00,00,000
TOTAL	**3,00,00,00,000**
Issued, subscribed and paid-up share capital	
2,07,11,63,910 subscribed, fully-paid up equity shares of face value Rs. 1/- each.	2,071,163,910
TOTAL	**2,071,163,910**

15. During the financial year ended on 31st March, 2014, Sun in its standalone capacity, had the total revenue of Rs. 2762.56 crores and the net profit after tax of Rs. 300.84 crores. Sun has reserve and surplus of Rs. 7882.60 crores. Thus, it is a profit making and dividend paying company.

16. The Equity Shares of Sun are listed on the BSE and NSE.

17. In order to consolidate and effectively manage the pharmaceutical and related businesses of Ranbaxy and Sun in a single entity, the amalgamation of Ranbaxy with Sun is proposed. This amalgamation of Ranbaxy with Sun apart from inter alia providing synergy benefits, attain greater efficiencies and cost competitiveness, would also have the following benefits:

    i. The combination of Ranbaxy and Sun would bring strengths that each company does not necessarily possess individually. The expanded global reach of the amalgamated company would be particularly beneficial for capitalizing on growth opportunities in both developed and emerging markets, including India.

    ii. Both Ranbaxy and Sun are in similar lines of business and intend to /can achieve larger product portfolio, economies of scale, efficiency, optimisation of logistic and distribution network and other related economies by consolidating the business operations being managed by different management teams. The Scheme intends to merge the operations of Ranbaxy with that of Sun to fulfil this objective.

    iii. The amalgamated company will have the benefit of a diversified product portfolio, including complex products and first to file opportunities, across chronic and acute treatments.

    iv. The amalgamated company will have the benefit of the combined resources of Ranbaxy and Sun. The amalgamated company would be in a position to carry on consolidated operations through optimum utilization of resources, avoidance of duplication and better financial strength.

18. In general, the Scheme provides for:

    (a) the amalgamation of Ranbaxy with Sun;

    (b) the consequent issue of shares and NCDs by Sun to the shareholders and holders of NCDs respectively and the treatment of GDRs of Ranbaxy;

    (c) reduction of capital and reserves and surplus of Ranbaxy; and

    (d) various other matters consequential or otherwise integrally connected herewith;

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

19. The amalgamation of Ranbaxy with Sun will combine the business, activities and operations of Ranbaxy and Sun into a single company with effect from the Appointed Date i.e. 1st April, 2014 (as defined in the Scheme) and shall be in compliance with the provisions of the Income Tax Act, 1961, including Section 2(1B) thereof or any amendments thereto.

20. Therefore, in view of the aforesaid, the Board of Directors of Ranbaxy and Sun have considered and proposed inter alia the amalgamation for the transfer and vesting of the entire undertaking and business of Ranbaxy with and into Sun. In the opinion of both the Board of Directors, the amalgamation and other provisions of the Scheme would benefit the shareholders, employees and other stakeholders of Ranbaxy and Sun.

21. The objective of the Scheme is set out in the Scheme itself. Some of its salient features are as under:

    A. The following terms inter alia are defined in Section 1.6 of the Scheme as:

    i. '***Act***' means the Companies Act, 1956 (and to the extent applicable the Companies Act, 2013) including any statutory modification(s), re-enactments or amendments thereof from time to time;

    ii. '***Appointed Date***' means the 1st April, 2014 or such other date as may be agreed between the Transferor Company and the Transferee Company and approved by the High Court(s);

    iii. '***Effective Date***' means the last of the dates on which the conditions referred to in Section 18 of this Scheme have been fulfilled. All references in this Scheme to the date of "***coming into effect of this Scheme***" or "***effectiveness of this Scheme***" or "***Scheme taking effect***" shall mean the Effective Date;

iv. '***High Court***' means the Hon'ble High Court of Punjab and Haryana having jurisdiction in relation to the Transferor Company and the High Court of Gujarat having jurisdiction in relation to the Transferee Company, as the context may admit and shall, if applicable, include the National Company Law Tribunal, and "High Courts" shall mean both of them, as the context may require;

v. '***Record Date***' means the date fixed by the Board of Directors of the Transferor Company or any committee thereof in consultation with the Transferee Company, for the purpose of determining names of the Equity Shareholders of the Transferor Company, who shall be entitled to receive shares of the Transferee Company upon coming into effect of this Scheme;

vi. '***Scheme***' or '***Scheme of Arrangement***' means this Scheme of Arrangement in its present form or with any modification(s), approved or imposed or directed by the Board of Directors of the Transferor and the Transferee Company or by the members or creditors and/or by the High Court(s) or any other relevant authority;

vii. '***Transferor Company***' means Ranbaxy Laboratories Limited, a company registered under the Act and having its Registered Office at A-41, Industrial Area Phase VIII-A, SAS Nagar, Mohali - 160 071, (Punjab);

viii. '***Transferee Company***' means Sun Pharmaceutical Industries Limited, a company registered under the Act and having its Registered Office at SPARC, Tandalja, Vadodara – 390020, Gujarat, India;

ix. '***Undertaking***' shall mean the entire business and the whole of the undertakings of the Transferor Company as a going concern, all its assets, rights, licenses and powers, and all its debts, outstandings, liabilities, duties, obligations and employees as on the Appointed Date including, but not limited to, the following:..."

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

C. **Transfer of Assets and Liabilities (Section 3.2 (i)):** *All assets and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company, and all assets and properties which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 391 to 394 of the Act.*

D. **Transfer Of Liabilities (Section 3.3 (i)):** *All the liabilities including all secured and unsecured debts, whether in Indian rupees or foreign currency), sundry creditors, contingent liabilities, duties, obligations and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations (the "Liabilities") shall, without any further act, instrument or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company without any further act, instrument or deed, along with any charge, lien, encumbrance or security thereon, and the same shall be assumed to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain consent of any third party or other person who is a party to the contract or arrangements by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Section. Further, all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Company on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme.*

E. **Contracts, Deeds And Other Instruments (Section 4.1):** *Upon the coming into effect of this Scheme and subject to all the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, assurances and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect by, for or against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and effectively as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto.*

F. **Legal Proceedings (Section 5 (a)):** *Upon coming into effect of this Scheme all suits, claims, actions and proceedings by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and*

be enforced by or against the Transferee Company as effectually as if the same had been originally instituted and/or pending and/or arising by or against the Transferee Company.

G. **Issue of Consideration by the Transferee Company (Section 8.1):** *Upon the effectiveness of the Scheme, in consideration of the transfer of and vesting of the Undertaking of the Transferor Company in the Transferee Company and in terms of the Scheme, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot to the Equity Shareholders of the Transferor Company (whose names are registered in the Register of Members of the Transferor Company on the Record Date, or his /her/its legal heirs, executors or administrators or, as the case may be, successors), equity shares of face value Re. 1/- (Rupees One) each credited as fully paid up of the Transferee Company in the ratio of 0.80 equity shares of the face value of Re. 1/- (Rupees One) each of the Transferee Company for every 1.00 equity share of Rs. 5/- (Rupees Five) credited as fully paid-up held on the Record Date by such Equity Shareholders or their respective legal heirs, executors or administrators or, as the case may be, successors in the Transferor Company (the "**New Equity Shares**").*

H. **Section 8.3:** *The ratio in which equity shares of the Transferee Company are to be issued and allotted to the shareholders of the Transferor Company is herein referred to as the "**Share Exchange Ratio**". In the event of any increase in the issued, subscribed or paid up share capital of the Transferee Company or issuance of any instruments convertible into equity shares or restructuring of its equity share capital including by way of share split/consolidation/ issue of bonus shares, free distribution of shares or instruments convertible into equity shares or other similar action in relation to the share capital of the Transferee Company at any time before the Record Date, the Share Exchange Ratio shall be adjusted appropriately to take into account the effect of such issuance or corporate actions and assuming conversion of any such issued instruments convertible into equity shares.*

I. **Employee Stock Option Plan (Section 8.11):** *Upon the effectiveness of the Scheme, the Transferee Company shall issue stock options ("Transferee Options") to employees of the Transferor Company holding Transferor Options ("**Eligible Employees**") which shall entitle the Eligible Employees to purchase equity shares of the Transferee Company. The number of Transferee Options issued shall equal the product of the number of Transferor Options (whether vested or unvested) outstanding at the time of the effectiveness of the Scheme multiplied by the Share Exchange Ratio, with any fractional shares rounded down to the next higher whole number of shares (i.e. for every Transferor Option held by an Eligible Employee which entitles such eligible employee to acquire 1.00 equity share in the Transferor Company, such Eligible Employee will be conferred a Transferee Option to acquire 0.80 equity shares in the Transferee). The terms and conditions applicable to the Transferee Options shall be no less favourable than those provided under the ESOP Schemes. Such Transferee Options will be issued under a new employee stock option scheme created by the Transferee Company inter alia for the purpose of granting stock options to the Eligible Employees pursuant to the Scheme ("**Transferee ESOP Scheme**").*

J. **Reduction of Capital and Reserves and Surplus of the Transferor Company (Section 9.1):** *An amount equal to the balance lying to the debit in statement of profit and loss in the books of the Transferor Company on the close of 31st March, 2014, shall be, in the books of the Transferor Company, adjusted/reduced as follows in accordance with provisions of Sections 391 to 394, Sections 78 and 100 to 103 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013 and any other applicable provisions of law:*

   i. Firstly, against reduction of Capital Reserve Account of the Transferor Company amounting to Rs. 176.20 crores. (Rupees one hundred seventy six crores and twenty lacs only);

   ii. Secondly, against reduction of Securities Premium Account of the Transferor Company amounting to Rs. 3501.48 crores. (Rupees three thousand five hundred one crore and forty eight lacs only);

   iii. Thirdly, against reduction of the General Reserve of the Transferor Company amounting to Rs. 551.92 (Rupees five hundred and fifty one crores and ninety two lacs only), to the extent available or required;

   iv. The balance, if any, remaining in the debit in statement of profit and loss in the books of the Transferor Company shall be carried in the books of the Transferor Company as on 31st March, 2014.

K. **Section 9.2:** *For giving effect to the above provisions, the permission from the Equity Shareholders of the Transferor Company shall be deemed to have been received as contemplated by the Act and other related provisions on this Scheme being approved by members of the Transferor Company at the court convened meeting or otherwise*

L. **Section 9.3:** *The reduction in the Securities Premium Account and / or Capital Reserve Account and / or General Reserve as aforesaid, if any, of the Transferor Company shall be effected as an integral part of the Scheme itself as the same does not involve either diminution of liability in respect of unpaid Share Capital or payment to any shareholder of any unpaid Share Capital and the order of the Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act (including corresponding applicable provisions of the Companies Act, 2013) confirming the reduction of Securities Premium and / or Capital Reserve Account and / or General Reserve. Such a reduction shall be deemed to be effective on and from the close of 31st March, 2014. The Transferor Company nor the Transferee Company shall not be required to add "and reduced" as a suffix.*

M. **Accounting Treatment (Section 10.1):** *Recognising that the amalgamation is to be considered as an "amalgamation in the nature of merger" in accordance with the provisions of paragraph 29 of Accounting Standard 14 - "Accounting for Amalgamations" (AS-14) as notified under the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs), the accounting treatment in respect of assets, liabilities and reserves and surplus of the Transferor Company in the books of the Transferee Company shall be governed by, the provisions of AS-14, "the Pooling of Interests Method". Accordingly, all the assets and liabilities of the Transferor Company shall be recorded at their existing carrying amounts and in the same form as at the Appointed Date in the books of the Transferee Company.*

N. **Transferor Company Employees (Section 13):**

(a) *Upon the Scheme coming into effect and with effect from the Appointed Date, all permanent employees (including deputed employees) of the Transferor Company, shall become employees of the Transferee Company on such date as if they were in continuous service without any break or interruption in service , and on terms and conditions as to employment and remuneration not less favourable than those on which they are engaged or employed by the Transferor Company, so as to become as and from the Appointed Date, the employees of the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement/ settlement, if any, validly entered into by the Transferor Company with any union/employee of the Transferor Company recognized by the Transferor Company.*

(b) *Without prejudice to the provisions of this Scheme and the rights and obligations of the Transferee Company under applicable law, for a period of 12 months after the Scheme comes into effect, (the "**Relevant Period**"), the Transferee Company shall provide (or cause its subsidiaries to provide) each such employee of the Transferor Company whose employment was transferred to the Transferee Company pursuant to this Scheme (each, a "**Transferred Employee**") with compensation and benefits that are substantially comparable in the aggregate economically to the compensation and benefits provided to such Transferred Employee immediately prior to the Scheme coming into effect; provided, however, that during the Relevant Period there shall be no decrease in a Transferred Employee's base salary or base wage rate in effect immediately prior to the Scheme coming into effect. To the extent that: (i) the applicable law of any jurisdiction; (ii) any collective bargaining agreement, works council agreement or similar agreement; or (iii) any employment agreement would require the Transferee Company to provide any more favorable terms of employment to any Transferred Employee than those provided in the preceding sentence, the Transferee Company shall provide (or cause its subsidiaries to provide) such more favorable term, and otherwise provide terms of employment in accordance with the preceding sentence.*

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

O. **Amendment to Memorandum and Articles of Association of the Transferee Company (Section 15.1 (a)):** *As an integral part of Scheme, and, upon coming into effect of the Scheme, the authorized share capital of the Transferor Company, as on the Effective Date, shall be added to the authorized share capital of the Transferee Company, as on the Effective Date, without any further act or deed and without any further payment of the stamp duty or the registration fees and Clause V of the memorandum of association of the Transferee Company and Article 4 of the articles of association of the Transferee Company shall be altered accordingly.*

P. **MODIFICATION(S), AMENDMENTS TO THE SCHEME (Section 17.1):** *If at any time the High Court or any regulatory authority, including the stock exchanges or SEBI, suggests or requires material modification(s) or amendments to the Scheme, such modification(s) or amendments shall not be binding on the Transferor Company and the Transferee Company except with their prior consent (which consent shall not be unreasonably withheld by any party); provided, however, that where any modification(s) or amendment relates to severance or non-approval of any part of the Scheme, which part is capable of otherwise being lawfully performed in accordance with the agreement between the Transferor Company and Transferee Company, the Transferor Company and Transferee Company shall perform such part accordingly.*

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

22. In accordance with the Circular No. CIR/CFD /DIL/5/2013 dated 4th February, 2013 issued by the Securities and Exchange Board of India (***SEBI***), the Audit Committee of Ranbaxy in its meeting held on 6th April, 2014 recommended the Scheme for approval by the Board of Directors of Ranbaxy.

23. The Scheme was approved by the Board of Directors of Ranbaxy at its meeting held on 6th April, 2014 after considering the recommendation of the Audit Committee, the Valuation Report prepared by M/s. Walker Chandiok & Co LLP (***Walker Chandiok***), Independent Chartered Accountant and Fairness Opinion of ICICI Securities Limited, Independent Merchant Bankers. The Valuation Report recommended the fair exchange ratio for the proposed merger. The representatives of ICICI Securities Limited have confirmed that exchange ratio is fair as recommended by Walker Chandiok. Therefore, the basis on which the shares will be allotted to the shareholders of Ranbaxy as envisaged in the Scheme has also been approved and is fair and reasonable.

24. The Scheme has also been approved by the Board of Directors of Sun at its meeting held on 6th April, 2014.

25. In terms of clause 24(f) of the Listing Agreement with the stock exchanges and the SEBI Circulars, Ranbaxy has received observation letters dated 10th July, 2014 from BSE including SEBI observation letter dated 10th July, 2014; and 11th July, 2014 from NSE respectively.

26. Since Ranbaxy is a listed public company, it is governed by inter alia SEBI circulars dated 4th February, 2013 and 21st May, 2013 (***SEBI Circulars***). However, requirements of clause 5.16 of the SEBI Circulars pertaining to voting by shareholders through postal ballot and e-voting are not applicable to Ranbaxy. Ranbaxy has already submitted the requisite undertaking certified by its auditor and duly approved by its Board of Directors to the SEBI as required under clause 5.16 of the SEBI Circulars. Therefore, Ranbaxy shall not be required to undertake the procedure of postal ballot and e-voting for seeking approval from its shareholders.

27. **The pre-amalgamation shareholding pattern of Sun as at 31st March, 2014 is given below:**

Sr. No.		Category of Shareholder	Total Number of Shares	Percentage of total number of shares
(I)		(II)	(III)	(IV)
(A)	**Promoter and Promoter Group**			
1.	**Indian**			
	(a)	Individuals/Hindu Undivided Family	304,042,200	14.68
	(b)	Central / State Government(s)	–	–
	(c)	Bodies Corporate	1,013,024,000	48.91
	(d)	Financial Institutions/Banks	–	–
	(e)	Any Other (specify)	–	–
		Trusts	1,280,200	0.06
		Sub Total(A)(1)	**1,318,346,400**	**63.65**
2.	**Foreign**			
	(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	–	–
	(b)	Bodies Corporate	–	–
	(c)	Institutions	–	–
	(d)	Qualified Foreign Investors	–	–
	(e)	Any Other (specify)	–	–
		Sub Total(A)(2)	**–**	**–**
		Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	**1,318,346,400**	**63.65**

Sr. No.		Category of Shareholder	Total Number of Shares	Percentage of total number of shares
(I)		(II)	(III)	(IV)
(B)		**Public shareholding**		
1.		**Institutions**		
	(a)	Mutual Funds/UTI	24,943,604	1.20
	(b)	Financial Institutions/Banks	36,598,631	1.77
	(c)	Central Government /State Government(s)	1,296,420	0.06
	(d)	Venture Capital Funds	–	–
	(e)	Insurance Companies	51,985,309	2.51
	(f)	Foreign Institutional Investors	466,237,186	22.51
	(g)	Foreign Bank	–	–
	(h)	Qualified Foreign Investors	31,600	0.00
	(i)	Any Other (specify)	–	–
		Sub Total(B)(1)	**581,092,750**	**28.06**
2.		**Non-Institutions**		
	(a)	Bodies Corporate	52,421,989	2.53
	(b)			
	(i)	Individuals – shareholders holding nominal share capital up to Rs.1 Lakh	76,153,544	3.68
	(ii)	Individual shareholders holding nominal share capital in excess of Rs.1 Lakh	32,602,698	1.57
	(c)	Qualified Foreign Investors	–	–
	(d)	Any Other		
	i.	Non Resident Indians (Repat)	1,222,344	0.06
	ii.	Non Resident Indians (Non-Repat)	760,610	0.04
	iii.	Foreign Companies	617,160	0.03
	iv.	Clearing Member	2,172,188	0.10
	v.	Directors & their Relatives & Friends	3,866,650	0.19
	vi.	Trusts	1,861,577	0.09
	vii.	Overseas Corporate Bodies	46,000	0.00
		Sub Total(B)(2)	**171,724,760**	**8.29**
		Total Public Shareholding Public Group (B)=(B)(1)+(B)(2)	**752,817,510**	**36.35**
		Total (A)+(B)	**2,071,163,910**	**100.00**
(C)		**Shares held by custodians and against which Depository Receipts have been issued**		
	i.	Promoter and Promoter group	–	–
	ii.	Public	–	–
		Sub Total (C)	**–**	**–**
		GRAND TOTAL (A)+(B)+(C)	**2,071,163,910**	**100.00**

28. **The pre-amalgamation shareholding pattern of Ranbaxy as at 31 March 2014 is given below:**

Sr. No.		Category of Shareholder	Total Number of Shares	Percentage of total number of shares
(I)		(II)	(III)	(IV)
(A)		**Promoter and Promoter Group**		
1.		**Indian**		
	(a)	Individuals/Hindu Undivided Family	–	–
	(b)	Central / State Government(s)	–	–

Sr. No.	Category of Shareholder		Total Number of Shares	Percentage of total number of shares
(I)	(II)		(III)	(IV)
	(c)	Bodies Corporate	–	–
	(d)	Financial Institutions/Banks	–	–
	(e)	Any Other (specify)	–	–
		Trusts	–	–
		Sub Total(A)(1)	**–**	**–**
2.	**Foreign**			
	(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	–	–
	(b)	Bodies Corporate	268,711,323	63.41
	(c)	Institutions	–	–
	(d)	Qualified Foreign Investors	–	–
	(e)	Any Other (specify)	–	–
		Sub Total(A)(2)	**268,711,323**	**63.41**
		Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	**268,711,323**	**63.41**
(B)	**Public shareholding**			
1.	**Institutions**			
	(a)	Mutual Funds/UTI	1,999,560	0.47
	(b)	Financial Institutions/Banks	1,590,739	0.38
	(c)	Central Government /State Government(s)	–	–
	(d)	Venture Capital Funds	–	–
	(e)	Insurance Companies	31,578,971	7.45
	(f)	Foreign Institutional Investors	49,962,611	11.79
	(g)	Foreign Venture Capital Investors	–	–
	(h)	Qualified Foreign Investors	–	–
	(i)	Any Other (specify)	–	–
		Sub Total(B)(1)	**85,131,881**	**20.09**
2.	**Non-Institutions**			
	(a)	Bodies Corporate	6,930,131	1.64
	(b)	Individuals		
	(i)	Individuals shareholders holding nominal share capital up to Rs.1 Lakh	49,539,930	11.69
	(ii)	Individual shareholders holding nominal share capital in excess of Rs.1 Lakh	3,721,951	0.88
	(c)	Qualified Foreign Investors	–	–
	(d)	Any Other		
	i.	NDCOs	1,229,808	0.29
	ii.	Non-Residents	2,219,958	0.52
		Sub Total(B)(2)	**63,641,778**	**15.02**
		Total Public Shareholding Public Group (B)=(B)(1)+(B)(2)	**148,773,659**	**35.11**
		Total (A)+(B)	**417,484,982**	**98.51**
(C)	**Shares held by custodians and against which Depository Receipts have been issued**			
	i.	Promoter and Promoter group	–	–
	ii.	Public	6,294,081	1.49
		Sub Total (C)	**6,294,081**	**1.49**
		GRAND TOTAL (A)+(B)+(C)	**423,779,063**	**100.00**

29. **The post-amalgamation indicative shareholding pattern for Sun as on 31st March, 2014 (assuming the continuing shareholding pattern as on 31st March, 2014) is as follows:**

Sr. No.	Category of Shareholder		Total Number of Shares	Percentage of total number of shares
(I)	(II)		(III)	(IV)
(A)	**Promoter and Promoter Group**			
1.	**Indian**			
	Sub Total (A)(1)		**1,318,346,400**	**54.83**
2.	**Foreign**			
	Sub Total (A)(2)		**–**	**–**
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)		**1,318,346,400**	**54.83**
(B)	**Public shareholding**			
1.	**Institutions**			
	(a)	Mutual Funds/UTI	26,543,252	1.10
	(b)	Financial Institutions/Banks	37,871,222	1.57
	(c)	Central Government/ State Government(s)	1,296,420	0.05
	(d)	Venture Capital Funds	–	–
	(e)	Insurance Companies	77,248,486	3.21
	(f)	Foreign Institutional Investors	506,207,275	21.05
	(g)	Foreign Bank	–	–
	(h)	Qualified Foreign Investors	31,600	0.00
	(i)	Any Other (specify)	–	–
		Sub Total (B)(1)	**649,198,255**	**27.00**
2.	**Non-institutions**			
	(a)	Bodies Corporate	57,966,094	2.41
	(b)			
	(i)	Individuals – shareholders holding nominal share capital up to Rs.1 Lakh	110,211,454	4.58
	(ii)	Individual shareholders holding nominal share capital in excess of Rs.1 Lakh	35,580,259	1.48
	(c)	Qualified Foreign Investors	–	–
	(d)	Any Other		
	i.	Non Resident Indians	3,758,920	0.16
	ii.	Foreign Companies	216,570,065	9.01
	iii.	Clearing Member	2,172,188	0.09
	iv.	Directors & their Relatives & Friends	3,866,650	0.16
	v.	Trusts	1,861,577	0.08
	vi.	Overseas Corporate Bodies	46,000	0.00
	vii.	ESOP Shares*	21,398	0.00
		Sub Total (B)(2)	**432,054,605**	**17.97**
		Total Public Shareholding Public Group (B)=(B)(1)+(B)(2)	**1,081,252,860**	**44.97**
		Total (A)+(B)	**2,399,599,260**	**99.79**
(C)	**Shares held by custodians and against which Depository Receipts have been issued**			
	i.	Promoter and Promoter group	–	–
	ii.	Public	5,035,264	0.21
		Sub Total (C)	**5,035,264**	**0.21**
		GRAND TOTAL (A)+(B)+(C)	**2,404,634,524**	**100.00**

#Current ownership of Sun/its subsidiaries/its LLP's in Ranbaxy has been considered as cancelled under the head of individuals owning nominal share capital up to 1 lakh.

*Shares issued by Ranbaxy post 31st March, 2014 to its employees as ESOP have been considered and the ESOP Shareholders will also get shares of Sun.

30. The following is the background of the Board of Directors of the respective companies:

a. Ranbaxy Laboratories Limited

Sr. No.	Name of Director	Designation	Age	Educational Qualifications
1.	Dr. Tsutomu Une	Chairman, Non-Executive Director	66	Graduate from School of Veterinary Medicine, Hokkaido University, Ph.D in Microbiology
2.	Mr. Takashi Shoda	Non-Executive Director	66	Graduate from Faculty of Pharmacy, Tokyo University
3.	Dr. Kazunori Hirokawa	Non-Executive Director	63	Graduate from University of Tokyo, M.D and Ph. D from Tokyo Medical and Dental University
4.	Mr. Rajesh Viren Shah	Non-Executive Independent Director	63	Master in Arts from University of Cambridge, UK, Masters in Business Administration from University of California USA, Executive Management Program from Harvard Business School, USA
5.	Mr. Percy Keku Shroff	Non-Executive Independent Director	62	Graduate in Arts from Whittier College, California
6.	Mr. Akihiro Watanabe	Non-Executive Independent Director	55	Graduate in Commerce and Accounting, Chuo University, Japan and Japanese CPA
7.	Dr. Anthony Hugh Wild	Non-Executive Independent Director	66	Honours degree in Chemistry from University of York, Ph.D degree in Physical Chemistry from University of Cambridge.
8.	Mr. Arun Sawhney	CEO & Managing Director	59	B. Com. From Sydenham College of Commerce, Mumbai University, Post graduate in Management from International Management Institute, Delhi.

b. Sun Pharmaceutical Industries Limited

Sr. No.	Name of Director	Designation	Age	Educational Qualifications
1.	Mr. Israel Makov	Chairman Non-Executive Director	74	M.Sc. in Economics
2.	Mr. Dilip S. Shanghvi	ManagingDirector	58	B. Com
3.	Mr. Sudhir V. Valia	Non Promoter Executive Director	57	B.Com, FCA
4.	Mr. Sailesh T. Desai	Non Promoter Executive Director	60	B.Sc.
5.	Mr. S. Mohanchand Dadha	Non-Executive Independent Director	77	I.Sc.
6.	Mr. Hasmukh S. Shah	Non-Executive Independent Director	79	M.A. (Economics)
7.	Mr. Keki M. Mistry	Non-Executive Independent Director	59	FCA and Member of Michigan Assn. of Certified Public Accounts, USA.
8.	Mr. Ashwin S. Dani	Non-Executive Independent Director	71	B.Sc (Hons), B.Sc (Tech), MSI Polymer Science and Dip. in Colour Science
9.	Ms. Rekha Sethi	Non-Executive Independent Director	50	Graduate in English Literature and Post-Graduate Diploma in Advertising and Marketing.

31. None of the Directors of Ranbaxy and Sun have any material interest in the Scheme except as directors and shareholders in general.

32. The respective shareholding (singly or jointly as first holder) of Directors and of Key Managerial Personnel in Ranbaxy and Sun as on 30th June, 2014 is as under:

a. Shareholding of Directors of Ranbaxy

Sr. No	Name of Directors	In Sun (Transferee company)	In Ranbaxy (Transferor company)
1.	Dr. Tsutomu Une	Nil	Nil
2.	Mr. Takashi Shoda	Nil	Nil
3.	Dr. Kazunori Hirokawa	Nil	Nil
4.	Mr. Rajesh Viren Shah	Nil	Nil
5.	Mr. Percy Keku Shroff	Nil	Nil
6.	Mr. Akihiro Watanabe	Nil	Nil
7.	Dr. Anthony Hugh Wild	Nil	Nil
8.	Mr. Arun Sawhney	Nil	36,077

b. Shareholding of Key Managerial Personnel of Ranbaxy

Sr. No.	Name of Key Managerial Personnel	In Sun (Transferee company)	In Ranbaxy (Transferor company)
1.	Mr. Indrajit Banerjee, Chief Financial Officer	Nil	4,933
2.	Mr. Sushil K. Patawari, Company Secretary	Nil	18,516

c. Shareholding of Directors of Sun

Sr. No	Name of Directors	In Sun (Transferee company)	In Ranbaxy (Transferor company)
1.	Mr. Israel Makov	Nil	Nil
2.	Mr. Dilip S. Shanghvi	231,140,480	Nil
3.	Mr. Sudhir V. Valia	15,384,000	Nil
4.	Mr. Sailesh T. Desai	3,811,820	Nil
5.	Mr. S. Mohanchand Dadha	119,880	Nil
6.	Mr. Hasmukh S. Shah	Nil	Nil
7.	Mr. Keki M. Mistry	41,350	2,400
8.	Mr. Ashwin S. Dani	Nil	Nil
9.	Mrs. Rekha Sethi	Nil	Nil

d. Shareholding of Key Managerial Personnel of Sun

Sr. No.	Name of Key Managerial Personnel	In Sun (Transferee company)	In Ranbaxy (Transferor company)
1.	Mr. Sunil Ajmera, Company Secretary	Nil	Nil

33. The Directors of neither Ranbaxy nor Sun have given any loans to either of the companies.

34. Once the Scheme is approved by the Shareholders as per the requirements of Section 391 of the Act, Ranbaxy and Sun will seek the sanction of the Hon'ble High Court of Punjab and Haryana and High Court of Gujarat respectively.

35. The assets of Ranbaxy are sufficient to meet all its liabilities and the Scheme will not adversely affect the rights and interest of any of the members including creditors (secured and unsecured) of Ranbaxy in any manner whatsoever. Ranbaxy has made due provisions for payment of all liabilities as and when the same will fall due.

36. Further, the aggregate assets of Ranbaxy and Sun are sufficient to meet the liabilities of the amalgamated company and the Scheme will not adversely affect the rights of any of the members including the creditors (secured and unsecured) of the amalgamated company, in any manner whatsoever and due provisions have been made for payment of all liabilities as and when the same fall due in the usual course. A certificate of a chartered accountant showing the increase in the net worth of Sun post the Scheme becoming effective is annexed herewith.

37. No investigation proceedings under Sections 235 to 251 of the Act are pending against Ranbaxy.

38. Since the Scheme provides that the permission of the members of Ranbaxy shall be deemed to have been obtained at the court convened meeting of the shareholders, this statement may also be treated as an explanatory statement under Section 102 of the Companies Act, 2013.

39. A copy of the Scheme of Arrangement and the Explanatory Statement may be obtained from the Registered Office of Ranbaxy or from the office of their advocate – Luthra & Luthra Law Offices, 103, Ashoka Estate, Barakhamba Road, New Delhi – 110 001, Telephone # 011 4121 5100.

40. Copies of the following documents are open for inspection at the Registered Office of Ranbaxy between 10:00 A.M. and 05:00 P.M. on any working day, prior to the date of the meeting:

    a. Certified copy of the Order dated 5th August, 2014 passed by the Hon'ble High Court of Punjab and Haryana at Chandigarh in Company Petition No. 132 of 2014 directing the convening of the meeting of Equity Shareholders of Ranbaxy;

    b. Memorandum and Articles of Association of Ranbaxy and Sun;

    c. Copy of the Balance Sheet dated 31st March, 2014 and 31st December, 2012 of Ranbaxy;

    d. Copy of the provisional Balance Sheet dated 31st March, 2014 and audited Balance Sheet date 31st March, 2013, of Sun;

    e. Copy of the Scheme of Arrangement together with the documents mentioned therein;

    f. Copy of Valuation Report dated 6th April, 2014 issued by M/s. Walker Chandiok & Co LLP, Chartered Accountants;

    g. Copy of Fairness Opinion dated 6th April, 2014 issued by ICICI Securities Limited, Independent Merchant Bankers;

    h. Copy of Chartered Accountant's Certificate dated 13th June, 2014 indicating the net worth of Ranbaxy as at 31st March, 2014;

    i. Copy of Chartered Accountant's Certificate dated 30th April, 2014 showing increase in the net worth of Sun post the Scheme of Arrangement becoming effective;

    j. Copy of Observation letters issued by BSE dated 10th July, 2014 including SEBI observation letter dated 10th July, 2014; and NSE dated 11th July, 2014; and

    k. Complaint Report dated 10th June, 2014 relating to the Scheme submitted by Ranbaxy to the Stock Exchanges.

Sd/-

Dated : 14th August, 2014 — Harkesh Manuja

Place : Chandigarh — Chairman appointed for the meeting

SCHEME OF ARRANGEMENT
BETWEEN
RANBAXY LABORATORIES LIMITED - TRANSFEROR COMPANY
AND
SUN PHARMACEUTICAL INDUSTRIES LIMITED - TRANSFEREE COMPANY
UNDER SECTIONS 391 TO 394, SECTIONS 78 AND 100 OF THE COMPANIES ACT, 1956 AND SECTION 52 OF THE COMPANIES ACT, 2013

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

1. PREAMBLE

1.1. Description of Companies

(a) **The Transferor Company:** Ranbaxy Laboratories Limited is a listed company incorporated under the provisions of the Act and having its registered office at A-41, Industrial Area Phase VIII-A, SAS Nagar, Mohali - 160 071, (Punjab). The Transferor Company was originally constituted as a private limited company on 16th June, 1961 under the name and style of Lepetit Ranbaxy Laboratories Private Limited as per the certificate of registration issued by the Registrar of Companies, Delhi. The Transferor Company became a deemed public limited company effective 20th March, 1962 and then was converted into a public limited company effective 24th August, 1966. The Transferor Company was again converted to a private limited company effective 28th October, 1970 and subsequently converted on 27th September, 1973 as a Public Limited Company under the Act under the name and style of Ranbaxy Laboratories Limited as per the certificate of registration issued by the Registrar of Companies, Delhi and Haryana. The registered office of the Transferor Company was changed from the State of Delhi to the State of Punjab on 27th June, 1977. The Transferor Company was formed with the main objects of manufacturing and marketing of pharmaceutical products. The Transferor Company is an integrated international pharmaceutical organization with businesses encompassing the entire value chain in the marketing, production and distribution of dosage forms and active pharmaceutical ingredients. Further, the Transferor Company along with its subsidiaries is also engaged in the business of consumer healthcare products. The details of the authorised, issued, subscribed and paid-up share capital of the Transferor Company are set out in the Scheme. The equity shares of the Transferor Company are listed on the Stock Exchanges. The GDRs representing underlying equity shares of the Transferor Company are listed on the Luxembourg Stock Exchange. The NCDs issued by the Transferor Company are listed on the wholesale debt market of the National Stock Exchange of India Limited.

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

1.2. Rationale for the Scheme

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

(a) The combination of Transferee Company and Transferor Company bring strengths that each company does not necessarily possess individually. The expanded global reach of the Transferee Company would be particularly beneficial for capitalizing on growth opportunities in both developed and emerging markets, including India.

(b) Both the Transferor Company and Transferee Company are in similar lines of business and intend to / can achieve larger product portfolio, economies of scale, efficiency, optimisation of logistic and distribution network and other related economies by consolidating the business operations being managed by different management teams. This

Scheme of Arrangement intends to merge the operations of the Transferor Company with that of the Transferee Company to fulfil this objective.

(c) The Transferee Company will have the benefit of a diversified product portfolio, including complex products and first to file opportunities, across chronic and acute treatments.

(d) The Transferee Company will have the benefit of the combined resources of Transferor Company and Transferee Company. The Transferee Company would be in a position to carry on consolidated operations through optimum utilization of resources, avoidance of duplication and better financial strength.

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

1.4. In furtherance of the aforesaid, this Scheme (as defined hereunder) provides for:

(a) the amalgamation of the Transferor Company with the Transferee Company;

(b) the consequent issue of shares and NCDs by the Transferee Company to the shareholders and holders of NCDs respectively and the treatment of GDRs of the Transferor Company; and

(c) various other matters consequential or otherwise integrally connected herewith;

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

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

1.6. Definitions

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

(a) ***'Act'*** means the Companies Act, 1956 (and to the extent applicable the Companies Act, 2013) including any statutory modifications, re-enactments or amendments thereof from time to time;

(b) ***'Appointed Date'*** means the 1st April, 2014 or such other date as may be agreed between the Transferor Company and the Transferee Company and approved by the High Court(s);

(c) ***'Board of Directors'*** means the board of directors of the Transferor Company or Transferee Company, as the case may be, and shall include a duly constituted committee thereof;

(d) ***'Depository'*** means The Bank of New York Mellon Corporation, being the depository for the GDRs;

(e) ***'Effective Date'*** means the last of the dates on which the conditions referred to in Section 18 of this Scheme have been fulfilled. All references in this Scheme to the date of "***coming into effect of this Scheme***" or "***effectiveness of this Scheme***" or "***Scheme taking effect***" shall mean the Effective Date;

(f) ***'ESOS I'*** means the Employees Stock Option Scheme (I) of the Transferor Company pursuant to which eligible employees of the Transferor Company are entitled to be issued shares in the Transferor Company upon exercise of a stock option;

(g) ***'ESOS II'*** means the Employees Stock Option Scheme (II) of the Transferor Company pursuant to which eligible employees of the Transferor Company are entitled to be issued shares in the Transferor Company upon exercise of a stock option;

(h) ***'ESOS 2005'*** means the Employees Stock Option Scheme, 2005 of the Transferor Company pursuant to which eligible employees of the Transferor Company are entitled to be issued shares in the Transferor Company upon exercise of a stock option;

(i) ***'ESOP 2011'*** means the Ranbaxy Employee Stock Option Plan – 2011 of the Transferor Company pursuant to which shares in the Transferor Company are transferred to the eligible employees of the Transferor Company upon exercise of stock options;

(j) ***'ESOP Schemes'*** mean ESOS I, ESOS II, ESOS 2005 and ESOP 2011;

(k) ***'GDRs'*** means the global depositary receipts issued by the Transferor Company pursuant to the "Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depositary Receipt Mechanism) Scheme, 1993" and other applicable law;

(l) ***'Governmental Authority'*** means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction;

(m) ***'High Court'*** means the Hon'ble High Court of Punjab and Haryana having jurisdiction in relation to the Transferor Company and the High Court of Gujarat having jurisdiction in relation to the Transferee Company, as the context may admit and shall, if applicable, include the National Company Law Tribunal, and "High Courts" shall mean both of them, as the context may require;

(n) ***'NCDs'*** means all the non-convertible debentures issued by the Transferor Company each of which are listed on the wholesale debt market segment of National Stock Exchange of India Limited;

(o) ***'New Equity Shares'*** means new equity shares of Transferee Company as referred to in Section 8;

(p) ***'Record Date'*** means the date fixed by the Board of Directors of the Transferor Company or any committee thereof in consultation with the Transferee Company, for the purpose of determining names of the equity shareholders of the Transferor Company, who shall be entitled to receive shares of the Transferee Company upon coming into effect of this Scheme;

(q) ***'Scheme'*** or ***'Scheme of Arrangement'*** means this Scheme of Arrangement in its present form or with any modifications, approved or imposed or directed by the Board of Directors of the Transferor and the Transferee Company or by the members or creditors and/or by the High Court(s) or any other relevant authority;

(r) ***'Stock Exchanges'*** means National Stock Exchange of India Limited and the BSE Limited;

(s) ***'Transferor Company'*** means Ranbaxy Laboratories Limited, a company registered under the Act and having its registered office at A-41, Industrial Area Phase VIII-A, SAS Nagar, Mohali - 160 071, (Punjab);

(t) ***'Transferor Option'*** means a stock option granted under an ESOP Scheme;

(u) ***'Transferee Company'*** means Sun Pharmaceutical Industries Limited, a company registered under the Act and having its registered office at SPARC, Tandalja, Vadodara – 390020, Gujarat, India;

(v) ***'Undertaking'*** shall mean the entire business and the whole of the undertakings of the Transferor Company as a going concern, all its assets, rights, licenses and powers, and all its debts, outstandings, liabilities, duties, obligations and employees as on the Appointed Date including, but not limited to, the following:

(i) All the assets and properties (whether moveable or immoveable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent) of the Transferor Company, whether situated in India or abroad, including, but not limited to manufacturing facilities, laboratories, land (whether leasehold or freehold), processing plants, plant and machinery, computers, equipment, buildings and structures, offices, residential and other premises, diesel generator sets, stock-in-trade, packing material, raw materials, formulations, tablets, capsules, vials, ointments, active pharmaceutical ingredients and drugs intermediaries, capital work in progress, sundry debtors, furniture, fixtures, interiors, office equipment, vehicles, appliances, accessories, power lines, depots, deposits, all stocks, stocks of fuel, assets, investments of all kinds (including shares, scripts, subsidiaries, stocks, bonds, debenture stocks, units or pass through certificates) including shares or other securities held by the Transferor Company in its subsidiaries, cash balances or deposits with banks, cheques on hand, loans, advances, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by the Transferor Company, financial assets, leases (including but not limited to lease rights of the Transferor Company), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, bids, tenders, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, tenancies or license in relation to the office and /or residential properties (including for the employees or other persons), guest houses, godowns, warehouses, licenses, fixed and other assets, intangible assets (including but not limited to software), trade and service names and marks, patents, copyrights, designs and other intellectual property rights of any nature whatsoever, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including tax benefits), assets held by or relating to any Transferor Company employee benefit plan, export incentives accrued, derivative instruments, forward contracts, insurance claims receivable, tax holiday benefit, incentives, credits (including tax credits), minimum alternative tax credit entitlement tax losses, rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the

control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, in each case, whether in India or abroad.

(ii) All agreements, rights, contracts, entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quotas, rights, engagements, arrangements, authorities, allotments, security arrangements, benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Transferor Company business activities and operations.

(iii) All intellectual property rights, engineering and process information, software licenses (whether proprietary or otherwise), drawings, records, files, books, papers, computer programmes, manuals, data, catalogues, sales and advertising material, lists of present and former customers and suppliers, customer credit information, customer pricing information, other customer information and all other records and documents, whether in physical or electronic form, relating to the business activities and operations of the Transferor Company.

(iv) Amounts claimed by the Transferor Company whether or not so recorded in the books of account of the Transferor Company from any Governmental Authority, under any law, act, scheme or rule, as refund of any tax, duty, cess or of any excess payment.

(v) Rights to any claim not preferred or made by the Transferor Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, under any law, act, rule or scheme, and in respect of set-off, carry forward of un-absorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. whether under the Income Tax Act, 1961, the rules and regulations thereunder, or taxation laws of other countries, or any other or like benefits under the said acts or under and in accordance with any law or act, whether in India or anywhere outside India.

(vi) All debts (secured and unsecured), liabilities including contingent liabilities, duties, leases of the Transferor Company and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized. Provided that if there exists any reference in the security documents or arrangements entered into by the Transferor Company under which the assets of the Transferor Company stand offered as a security for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to the Undertaking of the Transferor Company vested in the Transferee Company by the virtue of the Scheme. The Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company which shall vest in Transferee Company by virtue of the amalgamation. The Transferee Company shall not be obliged to create any further or additional security thereof after the amalgamation has become effective.

(vii) All other obligations of whatsoever kind, including liabilities of the Transferor Company with regard to their employees, or the employees of any of their subsidiaries, with respect to the payment of gratuity, pension benefits and the provident fund or other compensation or benefits, if any, whether in the event of resignation, death, voluntary retirement or retrenchment or otherwise;

(viii) All permanent and temporary employees engaged by the Transferor Company at various locations.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956 and other applicable laws, rules, regulations, by-laws as the case may be or any statutory modifications or re-enactment thereof from time to time.

2. SHARE CAPITAL

2.1. Transferor Company

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

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

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

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

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

2.2. Transferee Company

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

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

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

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

3. TRANSFER AND VESTING OF UNDERTAKING

Generally

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

Transfer of Assets

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

(i) All assets and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company, and all assets and properties which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 391 to 394 of the Act.

(ii) In respect of such assets owned and belonging to the Undertaking of the Transferor Company as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company, and shall become the property of the Transferee Company in pursuance of the provisions of Section 394 and other applicable provisions of the Act.

(iii) In respect of movables other than those dealt with in Section 3.2 (ii) above including without any further act, instrument or deed of the Transferee Company the sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositee, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company).

(iv) All consents, permissions, licenses, permits, quotas, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, registrations, incentives, subsidies, concessions, grants, rights, claims, liberties, special

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

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

(i) All the liabilities including all secured and unsecured debts, whether in Indian rupees or foreign currency), sundry creditors, contingent liabilities, duties, obligations and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations (the "**Liabilities**") shall, without any further act, instrument or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company without any further act, instrument or deed, along with any charge, lien, encumbrance or security thereon, and the same shall be assumed to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain consent of any third party or other person who is a party to the contract or arrangements by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Section. Further, all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Company on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme.

(ii) Without prejudice to the foregoing provisions of this Section, upon the coming into effect of the Scheme, all debentures, bonds, notes or other debt securities and other instruments of like nature (whether convertible into equity shares or not), including the NCDs shall, pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Act, without any further act, instrument or deed, become the debt securities of the Transferee Company on the same terms and conditions except to the extent modified under the provisions of this Scheme and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in or be deemed to have been transferred to and vested in and shall be exercised by or against the Transferee Company as if it was the issuer of such debt securities, so transferred and vested. If the debt securities (including the NCDs) are listed on any stock exchange, the same shall, subject to applicable law and regulations, be listed and/or admitted to trading on the relevant stock exchanges in India where the debt securities were listed and/or admitted to trading, on the same terms and conditions, subject to the requirements, if any, imposed by the Stock Exchanges, unless otherwise modified in accordance with applicable law.

(iii) Where any of the debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations of the Transferor Company as on the Appointed Date deemed to be transferred to the Transferee Company have been discharged by Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.

(iv) All loans raised or used and all liabilities and obligations incurred by the Transferor Company for the operations of the Transferor Company after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Transferee Company in which the Undertaking shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Transferee Company and shall become the debts, liabilities, duties and obligations of the Transferee Company which shall meet discharge and satisfy the same.

(v) The Transferor Company may, if required, give notice in such form as it may deem fit and proper to each party, debtor or borrower as the case may be that pursuant to the High Courts sanctioning the Scheme, the said debt, loan, advance, etc. be paid or made good or held on account of the Transferee Company as the person entitled thereto.

(vi) The Transferee Company may, if required, give notice in such form as it may deem fit and proper to each person, debtor or borrower that pursuant to the High Courts having sanctioned the Scheme, the said person, debtor or borrower shall pay the debt, loan or advance or make good the same or hold the same to its account and that the right of the Transferee Company to recover or realise the same is in substitution of the right of the Transferor Company.

(vii) The transfer and vesting of the assets comprised in the Undertaking to and in the Transferee Company under this Scheme shall be subject to the mortgages and charges, if any, affecting the same. All encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company which secures or relate to the Liabilities shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company. Provided that if any of the assets of the Transferor Company have not been encumbered in respect of the Liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Transferor Company. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.

(viii) Without prejudice to the provisions of the foregoing Sections and upon the effectiveness of this Scheme, the Transferor Company and the Transferee Company shall execute any instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and / or modification(s) of charge, with the Registrar of Companies having jurisdiction to give formal effect to the above provisions, if required.

(ix) It is expressly provided that no other term or condition of the liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

3.4. Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of this Section 3 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and / or superseded by the foregoing provisions.

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

4. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

4.1. Upon the coming into effect of this Scheme and subject to all the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, assurances and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect by, for or against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and effectively as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto.

4.2. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite agreements or arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, under the provisions of the Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.

4.3. The Transferee Company shall be entitled to the benefit of all insurance policies which have been issued in respect of the Transferor Company and the name of the Transferee Company shall be substituted as “Insured” in the policies as if the Transferee Company was initially a party.

5. LEGAL PROCEEDINGS

(a) Upon coming into effect of this Scheme all suits, claims, actions and proceedings by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and be enforced by or against the Transferee Company as effectually as if the same had been originally instituted and/or pending and/or arising by or against the Transferee Company.

(b) The Transferee Company will undertake to have all legal or other proceedings initiated by or against the Transferor Company referred to in Section 5 (a) above transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.

6. OPERATIVE DATE OF THE SCHEME

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

7. STANDSTILL PROVISIONS TILL EFFECTIVE DATE

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

(a) All the profits or incomes accruing or arising to the Transferor Company or expenditure or losses arising or incurred (including the effect of taxes, if any, thereon) of the Transferor Company shall, for all purposes be treated and be deemed to be and accrued as the profits or incomes or expenditure or losses or taxes, as the case may be, of the Transferee Company.

(b) All taxes (including income tax, sales tax, excise duty, customs duty, service tax, VAT, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the business before the Appointed Date, shall be on account of the Transferor Company and, insofar as it relates to the tax payment (including, without limitation, sales tax, excise duty, custom duty, income tax, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of its business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.

(c) Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of and as agent for the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Undertaking that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken or discharged for and on behalf of and as agent for the Transferee Company.

(d) The conduct of business of the Transferor Company and the Transferee Company in the period between the date of this Scheme and the Effective Date shall be as agreed in writing between the Transferor Company and the Transferee Company in the transaction agreement.

8. ISSUE OF CONSIDERATION BY THE TRANSFEREE COMPANY

8.1 Upon the effectiveness of the Scheme, in consideration of the transfer of and vesting of the Undertaking of the Transferor Company in the Transferee Company and in terms of the Scheme, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of the Transferor Company (whose names are registered in the Register of Members of the Transferor Company on the Record Date, or his /her/its legal heirs, executors or administrators or, as the case may be, successors), equity shares of face value Re. 1/- (Rupees One) each credited as fully paid up of the Transferee Company in the ratio of 0.80 equity shares of the face value of Re. 1/- (Rupees One) each of the Transferee Company for every 1.00 equity share of Rs. 5/- (Rupees Five) credited as fully paid-up held on the Record Date by such equity shareholders or their respective legal heirs, executors or administrators or, as the case may be, successors in the Transferor Company (the "**New Equity Shares**").

8.2 Where New Equity Shares are to be allotted to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of the Transferor Company, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of the Transferee Company.

8.3 The ratio in which equity shares of the Transferee Company are to be issued and allotted to the shareholders of the Transferor Company is herein referred to as the "**Share Exchange Ratio**". In the event of any increase in the issued, subscribed or paid up share capital of the Transferee Company or issuance of any instruments convertible into equity shares or restructuring of its equity share capital including by way of share split/consolidation/issue of bonus shares, free distribution of shares or instruments convertible into equity shares or other similar action in relation to the share capital of the Transferee Company at any time before the Record Date, the Share Exchange Ratio shall be adjusted appropriately to take into account the effect of such issuance or corporate actions and assuming conversion of any such issued instruments convertible into equity shares.

8.4 New Equity Shares issued in terms of the Scheme shall, in compliance with the applicable regulations, be listed and\or admitted to trading on the relevant stock exchange(s) in India where the equity shares of Transferee Company are listed and admitted to trading. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of such stock exchanges. The New Equity Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are provided by the relevant stock exchanges.

8.5 In so far as the equity shares of the Transferor Company held by the Transferee Company or its subsidiaries or its limited liability partnerships are concerned, if any, on the Effective Date such shares shall stand cancelled and to that extent the Transferee Company is required to issue less number of shares.

8.6 Upon the New Equity Shares being issued and allotted to the shareholders of Transferor Company, the shares held by the said members of Transferor Company, whether in the physical form or in the dematerialized form, shall be deemed to have been automatically cancelled and be of no effect, without any further act, deed or instrument.

8.7 In so far as New Equity Shares are concerned, the same will be distributed in dematerialized form to the equity shareholders of Transferor Company, provided all details relating to the account with the depository participant are available to Transferee Company. All those equity shareholders who hold equity shares of Transferor Company and do not provide their details relating to the account with the depository participant will be distributed New Equity Shares in the physical/ certificate form unless otherwise communicated in writing by the shareholders on or before such date as may be determined by the board of Transferee Company or committee thereof.

8.8 Upon the coming into effect of the Scheme, the New Equity Shares of Transferee Company to be issued and allotted to the members of the Transferor Company as provided in the Scheme shall be subject to the provisions of the memorandum of association and articles of association of the Transferee Company and shall rank pari passu from the date of allotment in all respects with the existing equity shares of Transferee Company including entitlement in respect of dividends. The issue and allotment of New Equity Shares by the Transferee Company to the members of the Transferor Company as provided in this Scheme is an integral part hereof and shall be deemed to have been carried out pursuant to the Act.

8.9 No fractional certificates, entitlements or credits shall be issued or given by the Transferee Company in respect of the fractional entitlements, if any, to which the shareholders of the Transferor Company are entitled on the issue and allotment of equity shares by the Transferee Company in accordance with this Scheme. If any members of the Transferor Company have a shareholding such that such members become entitled to a fraction of a New Equity Share, the Board of Directors of the Transferee Company shall consolidate all such fractional entitlements to which the shareholders of the Transferor Company may be entitled on issue and allotment of the equity shares of the Transferee Company as aforesaid and shall, without any further application, act, instrument or deed, issue and allot such fractional entitlements directly to a nominee to be appointed by the board of directors of the Transferee Company, who shall hold such fractional entitlements with all additions or accretions thereto in trust for the benefit of the respective shareholders to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such fractional entitlements in the market at such price or prices and at such time or times as the nominee may in its sole discretion decide and on such sale pay to the Transferee Company the net sale proceeds thereof and any additions and accretions, whereupon the Transferee Company shall, subject to withholding tax and expenses, if any, distribute such sale proceeds to the concerned shareholders of the Transferor Company in proportion to their respective fractional entitlements.

8.10 Subject to receipt of such approvals, consents and sanctions as may be necessary under applicable law, in so far as it pertains to outstanding GDRs, if any:

(a) The Board of Directors of the Transferee Company may elect, in its sole discretion to:

(i) *Equity Option: Effect the exchange and cancellation of the GDRs for a proportional number of equity shares of the Transferee Company based on the Share Exchange Ratio;*

(ii) *Cash-out Option: Cash out existing GDR holders following the effectiveness of the Scheme.*

(b) If the Transferee Company elects the Cash-out Option for the GDR holders, then the equity shares issued by the Transferee Company to the Depository which represent the entitlement of the GDR holders shall be sold by the Depositary in the open market and the net sales proceeds (after the deduction of taxes and expenses incurred) shall be distributed by the Depository to the GDR holders in the same proportion as their entitlements.

(c) If the Transferee Company determines that the Equity Option and the Cash-out Option cannot be effected for any reason, the Transferee Company shall ensure that this does not delay implementation of the Scheme, and shall, in consultation with the Transferor Company, take all such actions as may be necessary to, upon effectiveness of the Scheme, issue or remit consideration in lieu of or in respect of the GDRs under this Scheme as per the Share Exchange Ratio to the GDR holders in a compliant manner, without delay to the sanction or effectiveness of the Scheme.

(d) The Transferee Company, the Transferor Company and/or the Depository shall enter into such documents and take such actions as may be deemed necessary or appropriate to give effect to the above options or any other option adopted pursuant to (c) above.

(e) The Transferee Company shall keep the Transferor Company regularly informed of the option it is electing and the status of the same, and consult with the Transferor Company in good faith in this regard, and shall keep the Transferor Company regularly informed of and invite the Transferor Company to all discussions with the Depository the custodian, any stock exchanges or Governmental Authority, in this regard.

8.11 ESOPs:

(a) Upon the effectiveness of the Scheme, the Transferee Company shall issue stock options ("**Transferee Options**") to employees of the Transferor Company holding Transferor Options ("**Eligible Employees**") which shall entitle the Eligible Employees to purchase equity shares of the Transferee Company. The number of Transferee Options issued shall equal the product of the number of Transferor Options (whether vested or unvested) outstanding at the time of the effectiveness of the Scheme multiplied by the Share Exchange Ratio, with any fractional shares rounded down to the next higher whole number of shares (i.e. for every Transferor Option held by an Eligible Employee which

entitles such eligible employee to acquire 1.00 equity share in the Transferor Company, such Eligible Employee will be conferred a Transferee Option to acquire 0.80 equity shares in the Transferee). The terms and conditions applicable to the Transferee Options shall be no less favourable than those provided under the ESOP Schemes. Such Transferee Options will be issued under a new employee stock option scheme created by the Transferee Company inter alia for the purpose of granting stock options to the Eligible Employees pursuant to the Scheme ("**Transferee ESOP Scheme**").

(b) Each Transferee Option shall have an exercise price per equity share of the Transferee Company equal to the quotient of the Transferor Option exercise price per equity share of the Transferor Company divided by the Share Exchange Ratio (rounded up to the nearest higher whole cent).

(c) Prior to the Scheme becoming effective, the ESOP Schemes shall be amended to provide for immediate and full accelerated vesting of all Transferor Options held by an employee if such employee's employment is terminated by the Transferee Company within 12 (twelve) months following effectiveness of the Scheme. The Transferee ESOP Scheme shall make appropriate equivalent provisions for such accelerated vesting of the Transferee Options granted by it to the Eligible Employees pursuant to this Scheme. Any stock option that becomes vested in accordance with the preceding sentence shall remain exercisable for no less than three months following such termination of employment.

(d) The grant of stock options to the Eligible Employees pursuant to the provisions of this Scheme, including this Section 8, shall be effected as an integral part of the Scheme and the consent of the shareholders of the Transferor Company and the Transferee Company to the Scheme shall be deemed to be their consent in relation to all matters pertaining to the ESOP Schemes and the Transferee ESOP Schemes, including without limitation, for the purposes of creating the Transferee ESOP Schemes, modifying the ESOP Schemes and/ or the Transferee ESOP Scheme, modifying the exercise price of the stock options under the ESOP Schemes and all related matters. No further approval of the shareholders of the Transferor Company or the Transferee Company would be required in this connection under any applicable law.

(e) In relation to the Transferee Options granted by the Transferee Company to the Eligible Employees pursuant to this Scheme, in lieu of the Transferor Options granted to them under the ESOP Schemes, the period during which the Transferor Options were held by or deemed to have been held by the Eligible Employees shall be taken into account for determining the minimum vesting period required under applicable law, the ESOP Schemes and the Transferee ESOP Schemes.

(f) Subject to applicable laws, the adjustments to the exercise price per option and option entitlement of the Eligible Employees proposed under this Section shall be appropriately reflected in the accounts of the Transferee Company.

(g) The Boards of Directors of the Transferor Company and the Transferee Company shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Section 8.11 of the Scheme.

8.12 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of Directors of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Transferor Company, after the effectiveness of this Scheme. The New Equity Shares to be issued by the Transferee Company pursuant to this Scheme in respect of any equity shares of the Transferor Company which are held in abeyance under the provisions of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Transferee Company.

8.13 The New Equity Shares (and, if applicable, global depositary receipts) of the Transferee Company issued pursuant to this Scheme, including and where applicable, without limitation, the equity shares relating to the GDRs shall not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") in reliance upon the exemption under Section 3(a)(10) of the Securities Act. The sanction of the High Courts to this Scheme will be relied upon for the purpose of qualifying the issuance and distribution of the equity shares of the Transferee Company issued pursuant to this Scheme, including and where applicable, without limitation, the equity shares relating to the GDRs (and, if applicable, global depositary receipts) for such an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof.

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

9.1 An amount equal to the balance lying to the debit in statement of profit and loss in the books of the Transferor Company on the close of 31st March, 2014, shall be, in the books of the Transferor Company, adjusted/reduced as follows in accordance with provisions of sections 391 to 394, sections 78 and 100 to 103 of the Companies Act, 1956 and section 52 of the Companies Act, 2013 and any other applicable provisions of law:

a. Firstly, against reduction of Capital Reserve Account of the Transferor Company amounting to [INR 176.20 crores. (Rupees one hundred seventy six crores and twenty lacs only)];

b. Secondly, against reduction of Securities Premium Account of the Transferor Company amounting to [INR 3501.48 crores. (Rupees three thousand five hundred one crore and forty eight lacs only)];

c. Thirdly, against reduction of the General Reserve of the Transferor Company amounting to [INR 551.92 (Rupees five hundred and fifty one crores and ninety two lacs only)], to the extent available or required;

d. The balance, if any, remaining in the debit in statement of profit and loss in the books of the Transferor Company shall be carried in the books of the Transferor Company as on 31st March, 2014.

9.2 For giving effect to the above provisions, the permission from the Equity Shareholders of the Transferor Company shall be deemed to have been received as contemplated by the Act and other related provisions on this Scheme being approved by members of the Transferor Company at the court convened meeting or otherwise.

9.3 The reduction in the Securities Premium Account and / or Capital Reserve Account and / or General Reserve as aforesaid, if any, of the Transferor Company shall be effected as an integral part of the Scheme itself as the same does not involve either diminution of liability in respect of unpaid Share Capital or payment to any shareholder of any unpaid Share Capital and the order of the Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act (including corresponding applicable provisions of the Companies Act, 2013) confirming the reduction of Securities Premium and / or Capital Reserve Account and / or General Reserve. Such a reduction shall be deemed to be effective on and from the close of 31st March, 2014. The Transferor Company nor the Transferee Company shall not be required to add "and reduced" as a suffix.

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

10.1 Recognising that the amalgamation is to be considered as an "amalgamation in the nature of merger" in accordance with the provisions of paragraph 29 of Accounting Standard 14 - "Accounting for Amalgamations" (AS-14) as notified under the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs), the accounting treatment in respect of assets, liabilities and reserves and surplus of the Transferor Company in the books of the Transferee Company shall be governed by, the provisions of AS-14, "the Pooling of Interests Method". Accordingly, all the assets and liabilities of the Transferor Company shall be recorded at their existing carrying amounts and in the same form as at the Appointed Date in the books of the Transferee Company.

10.2 As on the Appointed Date, the reserves, surplus and balance in the statement of profit and loss of the Transferor Company (after the immediately preceding adjustment/ reduction of the debit balance of profit and loss account as per clause 9 above), if any, will be aggregated with the respective reserves, surplus and balance in the statement of profit and loss of the Transferee Company in the same form as they appeared in the financial statements of the Transferor Company.

10.3 An amount equal to the balance lying to the credit / debit of the Statement of Profit and Loss in the books of the Transferor Company (after the immediately preceding adjustment/ reduction of the debit balance of profit and loss account as per clause 9 above), if any, shall be credited / debited by the Transferee Company to the balance of its statement of profit and loss and shall constitute (or reduce, as the case may be) the Transferee Company's free reserves.

10.4 An amount equal to the balance lying to the credit of Securities / Share Premium Account in the books of the Transferor Company (after the immediately preceding adjustment/ reduction of the debit balance of profit and loss account as per clause 9 above), if any, shall be credited by the Transferee Company to its Securities / Share Premium Account and shall constitute the Transferee Company's Securities / Share Premium Account.

10.5 The face value of equity shares issued by the Transferee Company to the shareholders of the Transferor Company will be recorded as equity share capital of the Transferee Company. The excess of the amount recorded as share capital issued by the Transferee Company over the amount of share capital of the Transferor Company will be reduced from General Reserve Account. In case of excess of the amount of share capital of the Transferor Company over the amount recorded as share capital issued by the Transferee Company will be credited to Capital Reserve Account.

10.6 In case of any difference in accounting policies of the Transferee Company and the Transferor Company, the impact of the same, till the Appointed Date will be quantified and the same shall be appropriately adjusted and reported in accordance with applicable Accounting Standards so as to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policies.

11. DIVIDEND

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

(a) except as expressly contemplated or permitted by any provision of the transaction agreement, as required by applicable law or with the prior written consent of the Transferee Company (which consent shall not be unreasonably withheld, conditioned or delayed), the Transferor Company shall not declare/or pay dividends or other distribution payable in cash, stock, property or otherwise, with respect to any of its capital stock, .

(b) The Transferor Company, except as mentioned otherwise in this Scheme or pursuant to the ESOP Schemes, shall not issue or allot any shares, right shares, or bonus shares or any other security converting into equity or other share capital or obtain any other financial assistance converting into equity or other share capital, unless agreed to by the Board of Directors of the Transferee Company.

(c) except as expressly contemplated or permitted by any provision of the transaction agreement, as required by applicable law or with the prior written consent of the Transferor Company (which consent shall not be unreasonably withheld, conditioned or delayed), the Transferee Company shall not declare/or pay dividends or other distributions payable in cash, stock, property or otherwise, with respect to any of its capital stock, , except for dividends which are paid on dates and in amounts consistent with past practice and not exceeding 30% of the previous year's consolidated net profit on the equity shares of the Transferee paid in cash.

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

12. BRANDS AND TRADEMARK

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

13. TRANSFEROR COMPANY EMPLOYEES

(a) Upon the Scheme coming into effect and with effect from the Appointed Date, all permanent employees (including deputed employees) of the Transferor Company, shall become employees of the Transferee Company on such date as if they were in continuous service without any break or interruption in service , and on terms and conditions as to employment and remuneration not less favourable than those on which they are engaged or employed by the Transferor Company, so as to become as and from the Appointed Date, the employees of the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement/ settlement, if any, validly entered into by the Transferor Company with any union/employee of the Transferor Company recognized by the Transferor Company.

(b) Without prejudice to the provisions of this Scheme and the rights and obligations of the Transferee Company under applicable law, for a period of 12 months after the Scheme comes into effect, (the "**Relevant Period**"), the Transferee Company shall provide (or cause its subsidiaries to provide) each such employee of the Transferor Company whose employment was transferred to the Transferee Company pursuant to this Scheme (each, a "**Transferred Employee**") with compensation and benefits that are substantially comparable in the aggregate economically to the compensation and benefits provided to such Transferred Employee immediately prior to the Scheme coming into effect; provided, however, that during the Relevant Period there shall be no decrease in a Transferred Employee's base salary or base wage rate in effect immediately prior to the Scheme coming into effect. To the extent that: (i) the applicable law of any jurisdiction; (ii) any collective bargaining agreement, works council agreement or similar agreement; or (iii) any employment agreement would require the Transferee Company to provide any more favorable terms of employment to any Transferred Employee than those provided in the preceding sentence, the Transferee Company shall provide (or cause its subsidiaries to provide) such more favorable term, and otherwise provide terms of employment in accordance with the preceding sentence.

(c) It is provided that so far as the provident fund, gratuity fund, or any other special scheme(s)/ fund(s), or other benefits if any, created or existing for the benefit of the existing or past employees of the Transferor Company are concerned, upon the coming into effect of this Scheme, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever related to the administration or operation of such schemes, funds or benefits or in relation to the obligation to make contributions to the said schemes, funds or in respect of such benefits in accordance with provisions of such schemes, funds or benefits as per the terms provided in the respective trust deeds or employee benefit plans or policies, to the end and intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such schemes, funds or benefits shall become those of the Transferee Company. Without prejudice to the generality of the foregoing, any such funds and the investments made out of such funds shall, at an appropriate stage, be transferred to the Transferee Company to be held for the benefit of the concerned employees. Such funds shall, subject to the necessary approvals and permission and at the discretion of the Transferee Company, either be continued as separate funds of the Transferee Company for the benefit of the employees of the

Transferor Company or be transferred to and merged with other similar funds of the Transferee Company. In the event that the Transferee Company does not have its own fund with respect to any such funds of the Transferor Company, the Transferee Company may, subject to necessary approvals and permissions, continue to maintain the existing funds separately and contribute thereto, until such time as the Transferee Company creates its own funds at which time the funds and the investments and contributions pertaining to the employees of the Transferor Company shall be transferred to such funds of the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of the aforesaid schemes, funds, benefit plans or policies. The Transferor Company and the Transferee Company shall undertake all the necessary steps and / or formalities as may be required to be carried out be done by the for transfer of such fund / assets / value, etc. to the Transferee Company in this regard.

14. DISSOLUTION OF THE TRANSFEROR COMPANY AND VALIDITY OF RESOLUTIONS

14.1 Upon the effectiveness of this Scheme, the Transferor Company shall be dissolved without winding up, and the Board of Directors and any committees thereof of the Transferor Company shall without any further act, instrument or deed be and stand dissolved.

14.2 Upon the coming into effect of this Scheme, the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

15. AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE TRANSFEREE COMPANY

15.1 Increase of authorised share capital

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

(b) Clause V of the memorandum of association of the Transferee Company shall, without any further act or deed, be substituted by the following clause:

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

(c) Article 4 of the articles of association of the Transferee Company shall, without any further act or deed, be substituted by the following article:

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

(d) Pursuant to this Scheme, the Transferee Company shall file the requisite forms with the Registrar of Companies for alteration of its authorized share capital.

(e) Under the accepted principle of single window clearance, it is hereby provided that the amendment in Section 15.1 shall become operative on the Scheme being effective by virtue of the fact that the shareholders of the Transferee Company, while approving the Scheme as a whole, have approved and accorded the relevant consents as required under the Act and shall not be required to pass separate resolutions as required under the Act. For this purpose, the filing fees and stamp duty already paid by the Transferor Company on its authorised share capital shall be utilized and applied to the increased share capital of the Transferee Company, and shall be deemed to have been so paid by the

Transferee Company on such combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fees / stamp duty on the authorised share capital so increased.

15.2 Director Nomination, Management Indemnification

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

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

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

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

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

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

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

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

(c) for six years after the Effective Date, Transferee Company shall indemnify and hold harmless each present or former officer or director of Ranbaxy Laboratories Limited or any of its subsidiaries, which officer or director who would have been indemnified as on the Effective Date, and to such extent under policies of the Transferor Company and its subsidiaries, in the manner and to the extent mutually agreed between Transferor Company and Transferee Company;

(d) for six years after the Effective Date, the Transferee Company shall maintain in effect provisions in its memorandum and articles of association or equivalent organizational documents (or in such documents of any successor to the business of the Transferee Company) regarding elimination of liability of directors, indemnification of officers, directors and employees and advancement of expenses that are no less advantageous to the intended beneficiaries than the corresponding provisions in existence in the memorandum of association and articles of association of the Transferor Company as of the date of this Agreement;

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

16. APPLICATION TO THE HIGH COURT

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

16.2. The Transferee Company shall also make all applications/petitions under Sections 391 to 394 and other applicable provisions of the Act to the High Court of Gujarat for sanctioning of this Scheme under the provisions of Act and to obtain all approvals as may be required under law.

17. MODIFICATIONS, AMENDMENTS TO THE SCHEME

17.1 If at any time the High Court or any regulatory authority, including the stock exchanges or SEBI, suggests or requires material modifications or amendments to the Scheme, such modifications or amendments shall not be binding on the

Transferor Company and the Transferee Company except with their prior consent (which consent shall not be unreasonably withheld by any party); provided, however, that where any modification or amendment relates to severance or non-approval of any part of the Scheme, which part is capable of otherwise being lawfully performed in accordance with the agreement between the Transferor Company and Transferee Company, the Transferor Company and Transferee Company shall perform such part accordingly.

17.2 Subject to the foregoing, the Transferor Company (by any of their respective Directors) and the Transferee Company (by any of its Directors):

(i) may in its full and absolute discretion assent from time to time on behalf of all persons concerned to any modifications or amendments or addition to this Scheme or to any conditions or limitations which the High Court(s) or any authorities under the Law may deem fit to approve of or impose and / or to resolve any doubt or difficulties that may arise for carrying out this Scheme and to do and execute all such acts, deeds, matters and things as may be necessary, desirable or proper for carrying the Scheme into effect.

(ii) are authorised to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect, and/or give such consents as may be required in terms of this Scheme;

(iii) for the purpose of giving effect to this Scheme or to any modifications or amendments thereof, may give and are authorised to give all such directions that are necessary or are desirable including directions for settling any doubts or difficulties that may arise.

(iv) mutually agree to modify any of the terms of this Scheme in future to settle any of the difficulties or to implement the provisions of this Scheme smoothly and hassle free manner, if such need arises and for all purposes the Effective Date for such subsequent modified scheme shall be the same as specified in this Scheme.

18. SCHEME CONDITIONAL UPON APPROVALS/ SANCTIONS

This Scheme is conditional upon and subject to:

(a) each of the following approvals, clearances or permissions having been obtained or where applicable, the waiting periods or time periods specified below having expired or been terminated:

(i) any waiting period (and any extension thereof) applicable to the consummation of the amalgamation as contemplated herein under the Hart–Scott–Rodino Antitrust Improvements Act, 1976 of the United States of America having expired or been otherwise terminated;

(ii) approval from the Competition Commission of India shall have been granted or deemed to have been granted through the expiration of time periods available for the Competition Commission of India's investigation provided under the Competition Commission of India (Procedure in regard to the transaction of business relating to combination) Regulation 2011 as amended;

(iii) receipt of any approvals, or the clearance of any waiting period under any other applicable antitrust or competition law, the failure of which to be obtained would be material to the Transferee Company after the Effective Date;

(iv) the approval of the Foreign Investment Promotion Board (FIPB) and/ or the Reserve Bank of India, if required under applicable laws, rules and regulations.

(b) The Scheme being agreed to by the requisite majority of the respective classes of members and/or creditors of each of the Transferor Company and the Transferee Company as required under the Act and requisite orders of the High Courts being obtained; and

(c) The certified copy of the orders of the High Court(s) sanctioning the Scheme being filed with the respective Registrar of Companies having jurisdiction;

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

19. TAXES / DUTIES / CESS ETC.

(a) The Transferee Company will be successor of the Transferor Company. The unutilized credits relating to excise duties paid on inputs lying to the account of Transferor Company as well as the unutilized credits relating to Service Tax paid on input services consumed by the Transferor Company shall be transferred to the Transferee Company automatically without any specific approval or permission as an integral part of the Scheme.

(b) Income taxes of whatsoever nature including advance tax, self-assessment tax, regular assessment taxes, tax deducted at source, Alternative Minimum Tax, Minimum Alternative Tax, wealth tax, if any, paid by the respective Transferor Company shall be treated as paid by the Transferee Company and it shall be entitled to claim the credit, refund, adjustment for the same as may be applicable. MAT credit available with the Transferor Company under Income Tax Act, 1961, if any, shall be available to the Transferee Company.

(c) If any of the Transferor Company is entitled to any benefits under incentive schemes and policies, it is declared that the benefits under all such incentive schemes and policies shall be transferred to and vested in the Transferee Company. The Transferee Company shall be entitled to deduction of book losses or depreciation, whichever is lower, (if any) for the purpose of calculation of MAT for the Transferee Company.

(d) Upon this Scheme being effective, the Transferee Company is expressly permitted to revise and file its income tax returns and other statutory returns, including tax deducted / collected at source returns, service tax returns, excise tax returns, sales tax / VAT returns, as may be applicable and has expressly reserved the right to make such provision in its returns and to claim refunds or credits etc. if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired.

20. EFFECT OF NON-RECEIPT OF APPROVAL/SANCTION

In the event any of the conditions, sanctions and/or approvals referred to in the preceding Section 19 above have not been satisfied or obtained, as the case may be, and/or the Scheme has not been sanctioned by the High Court(s) and/or the Order(s) has not been passed as aforesaid on or before 6th July, 2015, or such other date as mutually agreed by the Transferee Company and the Transferor Company (**"Long Stop Date**"), either the Transferor Company or the Transferee Company may opt to terminate this Scheme. If the Transferor Company and the Transferee Company jointly opt to withdraw\ terminate this Scheme, this Scheme shall stand revoked, cancelled and be of no effect, and in that event no rights and liabilities whatsoever shall accrue to or be incurred or claimed inter se by the parties or their shareholders or creditors or employees or any other person. Provided however, that the right to terminate this Scheme shall not be available: (i) to the Transferor Company, if the Transferor Company's failure to fulfil any obligation mutually agreed with the Transferee Company shall have been the cause of, or shall have resulted in, the failure of the Effective Date to occur on or prior to the Long Stop Date; and (ii) to the Transferee Company, if the Transferee Company's failure to fulfil any obligation mutually agreed with the Transferor Company shall have been the cause of, or shall have resulted in, the failure of the Effective Date to occur on or prior to the Long Stop Date.

21. SEVERABILITY

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

22. EXPENSES CONNECTED WITH THE SCHEME

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

Walker Chandiok & Co LLP

STRICTLY PRIVATE & CONFIDENTIAL

Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
16th floor, Tower II
Indiabulls Finance Centre
S B Marg, Elphinstone (W)
Mumbai 400013
India

T +91 22 6626 2600
F +91 22 6626 2601

To,
The Board of Directors
Ranbaxy Laboratories Limited
Plot 90, Sector 32
Gurgaon-122001
Haryana
India

Sub: Recommendation of the fair share exchange ratio for the purpose of the Proposed Merger of Ranbaxy Laboratories Limited into Sun Pharmaceutical Industries Limited

Dear Sirs,

We refer to our engagement letter, wherein Ranbaxy Laboratories Limited (hereinafter referred to as "RLL") has requested Walker Chandiok & Co LLP (hereinafter referred to as "WCC" or the "Valuer") to recommend the fair exchange ratio for the proposed merger of RLL into Sun Pharmaceutical Industries Limited (hereinafter referred to as "SPIL") (hereinafter jointly referred to as the "Companies"), the discussions that we have had with and information that we have received from the management of RLL (the "Management") from time to time in the above matter.

SCOPE AND PURPOSE OF THIS REPORT

RLL engages in the manufacture, marketing, and sale of pharmaceuticals products. It offers generic pharmaceuticals, branded generics, active pharmaceutical ingredients ("APIs") and intermediates, anti-retrovirals, and over-the-counter products. It operates primarily in India, Europe, North America, the Asia Pacific, and Africa. It currently operates as a subsidiary of Daiichi Sankyo Company Limited. The equity shares of RLL are listed on Bombay Stock Exchange and National Stock Exchange of India For the period ended 31 December 2013, RLL reported consolidated revenue from operations of INR 108,016.4 million, earnings before interest tax depreciation and amortization of INR 9,007.1 million and consolidated net loss (after adjustment for minority interest) of INR 10,116.0 million.

SPIL, a specialty pharmaceutical company, manufactures and markets pharmaceutical formulations and APIs in India and internationally. SPIL offers formulations in various therapeutic areas, such as psychiatry, neurology, cardiology, diabetology, nephrology, gastroenterology, anti-asthmatic and anti-allergic, musculo-skeletal and pain, gynecology and urology, orthopedics, and ophthalmology. It also provides APIs, such as anti-cancers, peptides, sex hormones, and controlled substances. SPIL was founded in 1983 and is based in Mumbai, India. The equity shares of SPIL are listed on Bombay Stock Exchange and National Stock Exchange of India. For the period ended 31 December 2013, SPIL reported consolidated revenue from operations of INR 150,932.9 million, earnings before interest tax depreciation and amortization of INR 66,949.6 million and reported consolidated net profit (after adjustment for minority interest) of INR 26,038.5 million.

The managements of the Companies propose to consolidate the business operations of RLL with SPIL through a Composite Scheme of Arrangement and Amalgamation under the provisions of Sections 391-394 of the Companies Act, 1956 (including any statutory re-enactment thereof) ("Scheme") as under:

- merge RLL into SPIL on a going concern basis with effect from xx April 2014 (the "Appointed Date") (hereinafter referred as "Proposed Merger").
- The shareholders of RLL will be issued equity shares of SPIL as a consideration for the Proposed Merger.

In this connection, WCC has been requested by RLL to submit a report recommending a fair share exchange ratio in the event of the Proposed Merger for the consideration of the Board of RLL. This report will be placed before the Audit Committee of RLL, as per the SEBI Circular CIR/CFD/DIL/5/2013 dated 4 February 2013, as amended by CIR/CFD/DIL/8/2013 dated 21 May 2013 and the Board of RLL and to the extent mandatorily required under applicable laws of India, maybe produced before judicial, regulatory or government authorities, in connection with the Proposed Merger.

The scope of our services is to conduct relative valuation for recommending a fair share exchange ratio for the Proposed Merger in accordance with generally accepted professional standards.

We have considered financial statements and other information relating to the Companies upto 30 December 2013 in our analysis and made adjustments for facts made known (past or future) to us till the date of our report.

This report is our deliverable in respect of our recommendation of fair share exchange ratio for the purpose of the Proposed Merger.

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

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

SOURCES OF INFORMATION

In connection with this exercise, we have used information available in the public domain as well as the following information from the official website of the Companies:

- Audited consolidated financial statements of RLL for the years ended 31 December 2011 and 2012 and unaudited consolidated financial statements for the four quarters ended 31 December 2013.
- Audited consolidated financial statements of SPIL for the years ended 31 March 2012 and 2013, unaudited consolidated financial statements for 6 months ended 30 September 2013 and consolidated income statement for the 9 months ended 31 December 2013.
- Other relevant information and documents for the purpose of this engagement.

RLL has been provided with the opportunity to review the draft report (excluding the recommended ratios) for this engagement to make sure that factual inaccuracies are avoided in our final report.

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

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

This report, its contents and the results herein (i) are specific to the purpose of valuation agreed as per the terms of our engagement; (ii) are specific to the date of this report and (iii) are based on the balance sheet as at 30 September 2013 of SPIL and 31 December 2013 of RLL. A valuation of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of 5 April 2014. Events occurring after this date may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.

The recommendation(s) rendered in this report only represent our recommendation(s) based upon information available in the public domain as well as information sourced from international data bases and the said recommendation(s) shall be considered to be in the nature of non-binding advice (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). We have no obligation to update this report.

In the course of the valuation, we have assumed and relied upon, without independently verifying, (i) the accuracy of the information that was publicly available and formed a substantial basis for this report and (ii) the accuracy of information sourced from data bases. In accordance with our engagement letter and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed or otherwise investigated the historical financial information available in the public domain. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the historical financial statements.

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

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

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

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

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

We owe responsibility to only the Boards of Directors of RLL under the terms of our engagement, and nobody else. We do not accept any liability to any third party in relation to the issue of this report. It is understood that this analysis does not represent a fairness opinion.

This valuation report is subject to the laws of India.

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

SHARE CAPITAL DETAILS OF THE COMPANIES

Ranbaxy Laboratories Limited

The current equity share capital of RLL is INR 2,118.9 million consisting of 423,779,063 equity shares of face value of INR 5 each. For the purpose of determining the fair share exchange ratio, we have considered the fully diluted equity share capital of RLL.

The shareholding pattern as at 31 March 2014 is as follows:

Category	% shareholding
Promoters and Promoter Group	63.4
Others	35.1
Custodians (GDR)	1.5
Total	**100.0**

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Sun Pharmaceutical Industries Limited

The current equity share capital of SPIL is INR 162,229.8 Mn consisting of 2,071,163,910 equity shares of face value of INR 1 each. For the purpose of determining the fair share exchange ratio, we have considered the fully diluted equity share capital of SPIL.

The shareholding pattern as at 31 December 2013 is as follows:

Category	% shareholding
Promoters and Promoter Group	63.7
Others	36.3
Total	**100.0**

APPROACH - BASIS OF PROPOSED MERGER

The scheme contemplates the Proposed Merger of the Companies pursuant to the Composite Scheme of Arrangement and Amalgamation under sections 391 to 394 of the Companies Act, 1956. Arriving at the fair share exchange ratio for the Proposed Merger would require determining the relative values of the concerned businesses and shares of the Companies. These values are to be determined independently but on a relative basis, and without considering the effect of the Proposed Merger.

The Proposed Merger envisages the merger of RLL into SPIL with equity shares of SPIL being issued to the shareholders of RLL. This requires the relative valuation of equity shares of RLL and SPIL for determination of a fair share exchange ratio for the Proposed Merger.

Hence we have carried out a relative valuation of the shares of RLL and SPIL in order to determine the fair share exchange ratio for the Proposed Merger.

There are several commonly used and accepted methods for determining the fair share exchange ratio for the Proposed Merger, which have been considered in the present case, to the extent relevant and applicable, including:

1. Net Asset Value method
2. Market Price method
3. Discounted Cash Flows method

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

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

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Net Asset Value (NAV) Method

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. The Net Asset Value ignores the future return the assets can produce and is calculated using historical accounting data that does not reflect how much the business is worth to someone who may buy or invest in the business as a going concern. This valuation approach is therefore mainly used in case where the firm is to be liquidated or in case where the assets base dominates earnings capability. A scheme of demerger / amalgamation would normally be proceeded with, on the assumption that the companies / businesses demerge / amalgamate as going concerns and an actual realization of the operating assets is not contemplated. The operating assets are therefore considered at their book values. In such a going concern scenario, the relative earning power is of importance to the basis of demerger / amalgamation, with the values arrived at on the net asset basis being of limited relevance.

We have considered the latest available balance sheets of RLL and SPIL are as at 31 December 2013 and 30 September 2013 respectively to compute the Net Asset Value of equity shares of RLL and SPIL. However, we have not assigned any weight to this method on account of the fact that companies in the pharmaceutical sector have significant intangible assets which are not reflected in the NAV. Assets are not an appropriate indicator of the fair value of a pharmaceutical company.

Market Price Method

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share especially where the market values are fluctuating in a volatile capital market. Further, in the case of a merger, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard. This method would also cover any other transactions in the shares of the company including primary / preferential issues / open offer in the shares of the company as envisaged in the overall scheme of arrangement and reported to the stock exchanges / available in the public domain.

In the present case, the equity shares of RLL and SPIL are listed on BSE and NSE and there are regular transactions on the bourses in their equity shares. Accordingly in the present case, the volume weighted average share price over reasonable periods for the shares of the respective Companies, as deemed appropriate for the purpose of our valuation analysis, have been considered for determining the value of the shares of the Companies under the market price methodology.

Discounted Cash Flows (DCF) Method

The DCF method uses the future free cash flows of the firm discounted by the cost of capital to arrive at the present value. In general, the DCF method is a strong and widely accepted valuation tool, as it concentrates on cash generation potential of a business. Considering that this method is based on future potential and is widely accepted, we have used this approach in the valuation in the present exercise.

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Using the DCF analysis involves determining the following:

Estimating future free cash flows:

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

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

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

To arrive at the total value available to the equity shareholders of RLL and SPIL, the values arrived above under DCF method for RLL and SPIL are adjusted for, inter-alia, the value of loans, cash, surplus / non-operating assets/liabilities as deemed appropriate for the purpose of our valuation analysis. The total value for equity shareholders is then divided by the fully diluted equity shares of the respective companies in order to work out the value per equity share of RLL and SPIL.

BASIS OF FAIR SHARE EXCHANGE RATIO

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

The Valuer has carried out a relative valuation of the shares of RLL and SPIL and has given weights to the values arrived at under different methodologies, based on their evaluation and judgement of the businesses of the Companies, in order to arrive at the fair share exchange ratio for the Proposed Merger.

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

The fair share exchange ratio of equity shares of RLL and SPIL has been arrived at on the basis of a relative valuation of RLL and SPIL based on the various methodologies explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the Companies, having regard to information base, key underlying assumptions and limitations.

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

In the light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, in our opinion the fair share exchange ratio for the Proposed Merger is as follows:

- fair share exchange ratio for the Proposed Merger - 5 (Five only) equity shares of RLL of INR 5/- each fully paid up for every 4 (Four only) equity shares of SPIL of INR 1/- each fully paid up.

Yours faithfully,

For **Walker Chandiok & Co LLP**
Chartered Accountants

Khushroo B. Panthaky
Partner
Membership No.: F42423
Date: 6 April 2014

6 April 2014

To,

The Board of Directors,
Ranbaxy Laboratories Limited
Plot 90, Sector 32,
Gurgaon-122001,
Haryana,
India

Sub: Fairness opinion on the Fair Share Exchange Ratio for the proposed Composite Scheme of Arrangement and Amalgamation between Ranbaxy Laboratories Limited into Sun Pharmaceutical Industries Limited, and their respective shareholders and creditors

This has reference to our engagement letter wherein Ranbaxy Laboratories Limited (hereinafter referred to as "RLL") has requested ICICI Securities ('I-Sec') to provide a fairness opinion on the Fair Share Exchange Ratio for the proposed Composite Scheme of Arrangement and Amalgamation between Sun Pharmaceutical Industries Limited (SPIL), RLL and their respective shareholders and creditors.

BACKGROUND, PURPOSE AND USE OF THIS REPORT

We understand that the managements of RLL and SPIL (referred to as "Companies') are proposing a Composite Scheme of Arrangement and Amalgamation between SPIL, RLL and their respective shareholders and creditors, with effect from the Appointed Date of 31 March 2014 under the provisions of Sections 391-394 of the Companies Act, 1956 read with Sections 100 - 103 of the Companies Act, 1956 or any corresponding provisions of the Companies Act, 2013. (hereinafter referred to as the "Proposed Scheme"). As part of the Proposed Scheme the entire business of RLL will be merged with SPIL ("Proposed Merger")

We understand from the management of RLL that the shareholders of RLL will be issued shares of SPIL as consideration for the Proposed Scheme.

For the aforesaid purpose, the management of RLL have appointed Walker, Chandiok & Co LLP (referred as "Valuer" or "WC") to prepare a report recommending the Fair Share Exchange Ratio for the Proposed Merger for allotment of SPIL shares to the shareholders of RLL pursuant to the Proposed Scheme, to be placed before the Board of Directors of RLL, as per the requirement of SEBI Circular CIR/CFD/DIL/5/2013 dated 4 February 2013 as amended by CIR/CFD/DIL/8/2013 dated 21 May 2013.

In this connection we have been requested by RLL to render our professional services by way of a fairness opinion referred to under clause 24(h) of the Listing Agreement on the Fair Share Exchange Ratio to the Board of Directors of RLL, as to whether the Fair Share Exchange Ratio, as recommended by the Valuer, in their report dated 6 April 2014, is fair and reasonable.

This report is intended only for the sole use and information of RLL, and only in connection with the Proposed Scheme including for the purpose of obtaining judicial and regulatory

approvals for the Proposed Scheme. We are not responsible in any way to any other person / party for any decision of such person or party based on this report. Any person / party intending to provide finance / invest in the shares / business of any of the Companies or their subsidiaries/joint ventures/associates shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. It is hereby notified that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the Proposed Scheme as aforesaid can be done only with our prior permission in writing. We acknowledge that this report will be shared to the extent as may be required, with the relevant High Court, stock exchanges, advisors of the Companies in relation to the Proposed Scheme, as well as with the statutory authorities.

As per Valuer's recommendation the holders of outstanding equity shares of RLL will receive 0.80 (Zero point Eight) fully paid up equity shares of SPIL with the face value of Rs. 1 (One) each for every 1 (One) fully paid up equity shares of RLL with the face value of Rs. 5 (Five) each for the Proposed Merger ("Fair Share Exchange Ratio").

SOURCES OF INFORMATION

In arriving at the opinion set forth below, we have relied on:

(a) Discussions, workings and Valuation report by WC, recommending the Equity swap ratio for the proposed Transaction
(b) Annual Reports of RLL for the financial years (CY) ended CY 11 and CY 12
(c) Annual Reports of SPIL for the financial years (FY) ended FY 11, FY12 and FY 13
(d) Unaudited financial results of RLL for 12 months ended CY 13
(e) Unaudited financial results of SPIL for 9 months ended FY 14
(f) Bloomberg consensus projections of RLL and SPIL for the period FY 15 to FY 16
(g) Reported market price and volume data of RLL and SPIL on NSE
(h) Reported shareholding pattern of SPIL and RLL on NSE
(i) Discussions with management of RLL regarding the current operations, future plans, capital expenditure
(j) Information, discussions (including orally) and documents as provided by RLL as well as the Valuer for purpose of this engagement

SCOPE LIMITATIONS

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

Our work does not constitute an audit, due diligence or certification of the historical financial statements including the working results of the Companies or their businesses referred to in this report. Accordingly, we are unable to and do not express an opinion on the accuracy of any financial information referred to in this report.

Our analysis and results are specific to the purpose of the exercise of giving our fairness opinion on the Fair Share Exchange Ratio for the Proposed Scheme. It may not be valid for any other purpose or if done on behalf of any other entity.

Our analysis and results are also specific to the date of this report and based on information as at 5 April 2014. We have relied on publicly available data for the purpose of this engagement. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

We express no opinion whatever and make no recommendation at all to RLL and SPIL's underlying decision to effect the Proposed Scheme or as to how the holders of equity shares or preference shares or secured or unsecured creditors of the Companies should vote at their respective meetings held in connection with the Proposed Scheme. We do not express and should not be deemed to have expressed any views on any other term of the Proposed Scheme. We also express no opinion and accordingly accept no responsibility or as to the prices at which the equity shares of RLL or SPIL will trade following the announcement of the Proposed Scheme or as to the financial performance of RLL or SPIL following the consummation of the Proposed Scheme.

No investigation of the Companies' claim to title of assets has been made for the purpose of this exercise and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility whatsoever is assumed for matters of a legal nature. Our report is not and should not be construed as our opining or certifying the compliance of the Proposed Scheme with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such Proposed Scheme.

We have not conducted or provided an analysis of due diligence or appraisal of the assets and liabilities of the Companies.

In the ordinary course of business, ICICI Securities Limited and its affiliates is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of ICICI Securities Limited may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the Proposed Scheme.

It is understood that our report is for the benefit of and confidential use by the Board of Directors / shareholders of RLL for the purpose of this Proposed Scheme and may not be relied upon by any other person and may not be used or disclosed for any other purpose without obtaining our prior written consent.

RATIONALE & CONCLUSION

We are given to understand by RLL that the Fair Share Exchange Ratio has been recommended by the Valuer, after taking into account various factors such as the serviceability of capital after taking into account the potential earning capacity of the business once the Proposed Scheme comes into effect.

In the circumstances, having regard to all relevant factors and on the basis of information and explanations given to us, we are of the opinion on the date hereof, that the proposed Fair

Share Exchange Ratio as recommended by the Valuer, for the Proposed Scheme, is fair and reasonable.

Yours faithfully,
For ICICI Securities Limited,

Ravi Talwar
Senior Vice President
Investment Banking
ICICI Securities
Mumbai

Date: 6/4/2014

BHAG CHAND JAIN & CO.
Chartered Accountants

401, Skyline House
85, Nehru Place
New Delhi-110019
Phone : 26430461
Mobile : 9810573760
E-mail : bcj.jain@gmail.com

Net Worth Certificate

This is to certify that we have examined the records and documents produced before us by M/s RanbaxyLaboratories Limited (hereinafter referred to as "the Company") having its registered office at A-41, Industrial Area Phase VIII-A, SahibzadaAjit Singh Nagar, Mohali –160071 (Punjab) and as per information and explanations given to us by the Management and its officers, the NET WORTH of the Companyas at March 31, 2014 (on standalonebasis)is calculated in the following manner-

Particulars		**Amount (Rs. in Million)**
Share Capital*		2,118.90
Share Application money pending allotment on account of exercise of stock options by employees of the Company under ESOP Schemes		5.03
Total	A	2,123.93
Reserves and Surplus		
Capital Reserve		1,762.00
Securities Premium Account		35,420.38
Employee Stock Option Outstanding Account		205.51
General Reserve		5,519.28
Deficiency in Statement of Profit and Loss		(34,102.65)
Total Reserves and Surplus	B	8,804.52
Net-worth of the Company as at March 31, 2014 prior to giving effect to the Proposed Scheme	C = A + B	**10,928.45**

*Includes 459,602 shares issued to Ranbaxy ESOP Trust under Company's Employee Stock Option Plan-2011.

This certificate has been issued solely on specific request of the company for onward submission to Stock Exchangesfor the Scheme of Arrangement between the Company with Sun Pharmaceutical Industries Limited and should not be used, circulated, quoted or otherwise referred to for any purpose, other than the one mentioned above, without our prior written consent.

For**Bhag Chand Jain & Co.**
Chartered Accountants
Firm Registration No.: 004666N

Bhag Chand Jain
Proprietor
Membership No.: 082776

Place: New Delhi
Date: June 13, 2014

JIGNESH A. GORADIA
B. Com., A. C. A.

Jignesh Goradia & Associates
CHARTERED ACCOUNTANTS

403, Doshi Mansion, M. G. Cross Road No. 3, Kandivali (West), Mumbai – 400 067
Tel. : 022-28075626 • Cell : 8080757001 / 9869123301 • E-mail : jigneshgoradia_ca@yahoo.com

To,
The Board of Directors
Sun Pharmaceutical Industries Limited,
SPARC, Tandalja,
Vadodara – 390 020

Net-worth Certificate of Sun Pharmaceutical Industries Limited ("the Company") as at December 31, 2013 prior to giving effect to the Proposed Scheme of Arrangement between Ranbaxy Laboratories Limited ("RLL") and the Company and their respective members and creditors under sections 391 to 394, sections 78 and 100 of the Companies Act, 1956 and section 52 of the Companies Act, 2013 ("the Proposed Scheme") for amalgamation of RLL in to the Company and the minimum Net-worth as at 31st March, 2014 after giving effect to the Proposed Scheme ("the accompanying statement")

1. We have examined the statement of computation of Net-worth provided by the Company and on the basis of our examination and according to the information, explanations and representations provided to us by the management of the Company, except for the inclusion of figures in respect of paragraph 2(iii) below being based solely on the certificate obtained by RLL from M/s. Bhag Chand Jain & Co. and not having been verified by us, and reliance placed by us on the representation made by the management as stated in paragraph 2(ii) below and not having been verified by us, and read together with the notes on the accompanying statement, we certify that the Net-worth of the Company as at December 31, 2013 prior to giving effect to the Proposed Scheme is **Rs. 79,267.60 million** and based on the management representation letter received from the Company, we expect that there would be no reduction in the net worth thereafter, of the Company and the minimum Net worth as at 31st March, 2014 of the Company after giving effect to the Proposed Scheme is **Rs. 81,199.40 million** (Annexure –I) .

2. Our responsibility for the purpose of this certificate is limited to examining whether the computation of Net-worth is in accordance with:

   (i) the Proposed Scheme referred above, in respect of which, we have been provided with certified copies thereof, as approved by the Board of Directors at their meeting held on April 06, 2014;

   (ii) Management of the Company has certified the provisional standalone financial statements of the Company for the nine months period ended December 31, 2013; and

   (iii) Company has obtained Certificate of the Net Assets as at 31st December, 2013 of RLL, certified by M/s. Bhag Chand Jain & Co., which is proposed to be amalgamated and transferred to the Company pursuant to the Proposed Scheme.

JIGNESH GORADIA & ASSOCIATES
MUMBAI
M. No.: 48640
FRN: 114719W
Chartered Accountants

3. As represented by the management and as accepted by us, the Board of Directors of the Company at their meeting held on April 6th, 2014 approved the Scheme of Arrangement for amalgamation of RLL, into the Company w.e.f. April 01, 2014.

4. As represented by the management and as accepted by us, the Board of Directors of the Company at their meeting held on November 13, 2013, approved the Scheme of Arrangement for demerger of Specified Undertaking of Sun Pharma Global FZE, a wholly owned subsidiary, into the Company w.e.f. May 01, 2013, without any consideration on a going concern basis consisting of all the assets and liabilities pertaining to the said business undertaking. The scheme being subject to approval by the shareholders and the relevant regulatory authorities, no effect thereof has been given in above net worth calculation of the Company.

5. Further, our responsibility is limited to examining the minimum Net-worth as at 31st March, 2014 of the Company after giving effect to the Proposed Scheme based on the certification by the Management as stated in paragraph 2(ii) above and Net Assets as at 31st December, 2013 of RLL as certified by the management of RLL and M/s. Bhag Chand Jain & Co. as stated in paragraph 2(iii) above. Further the impact of cancellation of cross holding of shares has not been considered for the purpose of net worth calculation.

6. This certificate is issued at the request of the Company for submission to the BSE Limited and the National Stock Exchange of India Limited and should not be used for any other purpose without our prior written consent.

For Jignesh Goradia & Associates
Chartered Accountants
Firm Reg. No. : 114719W

Jignesh Goradia
Proprietor
Membership No. : 048640

Place : Mumbai

Dated : April 30, 2014.

ANNEXURE - I

Statement of Computation of Net-worth of Sun Pharmaceutical Industries Limited ("the Company") as at December 31, 2013 prior to giving effect to the Proposed Scheme of Arrangement between Ranbaxy Laboratories Limited ("RLL") and the Company and their respective members and creditors under sections 391 to 394, sections 78 and 100 of the Companies Act, 1956 and section 52 of the Companies Act, 2013 ("the Proposed Scheme") for amalgamation of RLL in to the Company and the minimum Net-worth as at 31st March, 2014 after giving effect to the Proposed Scheme ("the accompanying statement")

I. Computation of Net-worth of the Company as at December 31, 2013 prior to giving effect to the Proposed Scheme based on the provisional standalone financial statements as certified by the Management of the Company for the nine months period ended December 31, 2013

Particulars		**Amount (Rs. in Million)**
Share Capital	A	**2071.2**
Reserves and Surplus		
Capital Reserve		259.10
Securities Premium Account		14,218.00
General Reserve		29,260.00
Surplus in Statement of Profit and Loss		33,459.30
Total Reserves and Surplus	B	**77,196.40**
Net-worth of the Company as at December 31, 2013 prior to giving effect to the Proposed Scheme (Refer Footnote)	C = A + B	**79,267.60**

II. Minimum Net-worth as at 31st March, 2014 after giving effect to the Proposed Scheme

Particulars		**Amount (Rs. in Million)**
Net-worth of the Company as at December 31, 2013 prior to giving effect to the Proposed Scheme (as computed in I above)	C	**79,267.60**
Net Assets as at December 31, 2013 of RLL, which is proposed to be amalgamated and transferred to the Company pursuant to the Proposed Scheme. (Refer Footnote 1)	D	**1,931.80**
Minimum Net-worth as at March 31, 2014 after giving effect to the Proposed Scheme (Refer Footnote 2)	E = C + D	**81,199.40**

JIGNESH GORADIA & ASSOCIATES MUMBAI M. No.: 43640 FRN: 114719W Chartered Accountants

Footnotes:

1. Company has obtained Certificate of the Net Assets as at 31st December, 2013 of RLL, certified by M/s. Bhag Chand Jain & Co, which is proposed to be amalgamated and transferred to the Company pursuant to the Proposed Scheme and has been relied upon by us.

2. The Management of the Company certifies that as at December 31, 2013, based on the unaudited books of account of the Company, there is no reduction in the Net-worth of the Company as compared to 31st March, 2013 as there is no loss incurred by the Company during the nine months period starting from April 01, 2013 to December 31, 2013. However, the effect of increase in Net-worth for the three months period starting from January 01, 2014 to March 31, 2014 has not been considered in the above computation, hence, the Net-worth as at 31st March, 2014 after giving effect to the Proposed Scheme represents the minimum Net-worth. The said certificate has been relied upon by us.

3. No adjustments have been made in the above computation of Net-worth to unify the conflicting accounting policies, if any, between the entities.

III. The above computation of Net-worth has been made for the purpose of submission to the BSE Limited and the National Stock Exchange of India Limited along with the Proposed Scheme of arrangement for Amalgamation of RLL with the Company as approved by the Board of Directors of the Company at their meeting held on April 06, 2014.

The Proposed Scheme is pending for regulatory and other statutory approvals including those from the members and the creditors of the respective companies. The Appointed Date of the Proposed Scheme is 1st April, 2014.

For Jignesh Goradia & Associates
Chartered Accountants
Firm Reg. No. : 114719W

JIGNESH GORADIA & ASSOCIATES
MUMBAI
M. No.: 48640
FRN: 114719W
Chartered Accountants

Jignesh Goradia
Proprietor
Membership No. : 048640

Place : Mumbai

Dated : April 30, 2014.

BSE Limited Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
T: +91 22 2272 1234 / 33 F: +91 22 2272 1003 www.bseindia.com
CIN NO:U67120MH2005PLC155188

EXPERIENCE THE NEW

DCS/AMAL/NJ/24(f)/120/2014-15

July 10, 2014

The Company Secretary
Ranbaxy Laboratories Limited
A-41, Industrial Area Phase VIII-A,
Sahibzada Ajit Singh Nagar ,Mohali ,
Punjab ,160071

Dear Sir / Madam,

Sub: Observation letter regarding the Scheme of Arrangement between Sun Pharmaceuticals Limited & Ranbaxy Laboratories Limited.

We are in receipt of draft Scheme of Arrangement involving merger of Ranbaxy Laboratories Limited with Sun Pharmaceuticals Limited.

The Exchange has noted the confirmation given by the Company stating that the scheme does not in any way violate or override or circumscribe the provisions of the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Companies Act, 1956, the rules, regulations and guidelines made under these Acts, and the provisions of the Listing Agreement or the requirements of BSE Limited (BSE).

As required under SEBI Circular No.CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No.CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI has vide its letter dated July 10, 2014 given the following comment(s) on the draft scheme of arrangement:

- ***The company shall duly comply with various provisions of the Circulars.***

Accordingly, we hereby convey Exchange's 'No-objection' with limited reference to those matters having bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable you to file the scheme with the Hon'ble High Court.

Further, you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also mention the same in your application for approval of the scheme of arrangement submitted to the Hon'ble High Court.

The Exchange reserves its right to withdraw its No-objection/approval at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Yours faithfully,

Nitin Pujari
Manager

Neha Jain
Asst. Manager

Sandeep Dabur
Assistant Manager
Division of Issues and Listing
Corporation Finance Department
Phone: +91 22 26449338 / +91 22 40459338
Fax: +91 22 26449022 || Email: sandeep@sebi.gov.in

भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange Board of India

CFD/DIL/AKD/SD/OW/19960/2014
July 10, 2014

Shri Khushro Bulsara
General Manager,
Bombay Stock Exchange Ltd.,
Floor 25, P J Towers, Dalal Street,
Mumbai – 400 001

Sir,

Sub: Draft Scheme of Arrangement between Ranbaxy Laboratories Limited and Sun Pharmaceutical Industries Limited

1. This has reference to your letters No. LIST/LO/SEBI/NJ/010/2014-15 and No. LIST/LO/SEBI/NJ/011/2014-15 dated May 19, 2014 whereby you have forwarded the applications of Draft Scheme of Arrangement between Ranbaxy Laboratories Limited and Sun Pharmaceutical Industries Limited filed in accordance with SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 and SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 (hereinafter referred to as 'the Circulars') for our comments on the draft Scheme of Arrangement (hereinafter referred to as 'draft Scheme).

2. It is noted that the Designated Stock Exchange, viz., BSE, and NSE have accorded their 'no-objection' to the draft Scheme vide letters dated June 09, 2014 and June 11, 2014, respectively.

3. The matter has been examined by SEBI in the light of the provisions under Part A, Annexure I of the aforesaid Circular. Accordingly, SEBI's comments on the draft Scheme are as under:

   a. Stock exchanges to ensure compliance with the said Circulars.

   b. The company shall duly comply with various provisions of the Circulars.

4. Please note that the submission of documents/information in accordance with the Circulars, to SEBI should not in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the documents submitted.

Yours faithfully,
Dabur 10/7/2014
Sandeep Dabur

CC: Shri Hari K
Vice President,
National Stock Exchange of India Ltd
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai - 400051

NATIONAL STOCK EXCHANGE
OF INDIA LIMITED

NIFTY 50
Stock of the nation

Ref: NSE/LIST/244584-2

July 11, 2014

The Company Secretary
Ranbaxy Laboratories Limited
Plot No.90, Sector-32,
Gurgaon – 122001.

Kind Attn.: Mr. S.K. Patawari

Dear Sir,

Sub: Observation letter for draft Scheme of Arrangement between Ranbaxy Laboratories Limited and Sun Pharmaceutical Industries Limited.

This has reference to draft Scheme of Arrangement between Ranbaxy Laboratories Limited and Sun Pharmaceutical Industries Limited under section 391 to 394, Sections 78 and 100 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013 submitted to NSE vide your letter dated May 09, 2014.

Based on our letter reference no Ref: NSE/LIST/241623-G submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013 and SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI has vide letter dated July 10, 2014, has given following comments on the draft Scheme of Amalgamation:

"The company shall duly comply with various provisions of the Circulars."

Accordingly, we do hereby convey our 'No-objection' with limited reference to those matters having a bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Companies to file the Scheme with Hon'ble High Court.

However, the Exchange reserves its rights to withdraw this No-objection approval at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from July 11, 2014, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400051, India. • Tel: +91 22 26598235/36, 26598346 • Fax: +91 22 26598237/38
E-mail : cmlist@nse.co.in • Web site: www.nseindia.com

a. Copy of Scheme as approved by the High Court;
b. Result of voting by shareholders for approving the Scheme;
c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
d. Status of compliance with the Observation Letter/s of the stock exchanges
e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
f. Complaints Report as per Annexure II of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013.

Yours faithfully,
For National Stock Exchange of India Limited

Kamlesh Patel
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

RANBAXY
Trusted medicines.Healthier lives
CORPORATE OFFICE: PLOT NO. 90, SECTOR-32, GURGAON-122001 (HARYANA), INDIA
PHONE : +91-124-4135000 FAX : +91-124-4135001

June 10, 2014

The Vice-President,
Capital Market (Listing),
National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051

The Dy. General Manager (Listing),
BSE Limited,
Corporate Relationship Department,
1st Floor, New Trading Ring,
Rotunda Building,
P.J. Towers, Dalal Street, Fort,
Mumbai - 400001

Dear Sirs,

Sub: Application under Clause 24(f) of the Listing Agreement, for the Scheme of Arrangement between Ranbaxy Laboratories Limited ("RLL") with Sun Pharmaceutical Industries Limited ("SPIL") under Sections 391 to 394, Sections 78 and 100 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013

Ref.: Filing of the Complaints Report

Further to our application dated May 13, 2014 under Clause 24(f) of the Listing Agreement, please find enclosed the Complaints Report for the period from May 13, 2014 (date of filing of documents with the stock exchanges) to June 3, 2014 (21 days from the date of filing of documents with the stock exchanges).

Kindly take the same on your records and acknowledge.

Thanking you,

Yours faithfully,
For Ranbaxy Laboratories Limited

(S.K. Patawari)
Company Secretary

Encl.: As above.

RANBAXY
Trusted medicines.Healthier lives
CORPORATE OFFICE: PLOT NO. 90, SECTOR-32, GURGAON-122001 (HARYANA), INDIA
PHONE : +91-124-4135000 FAX : +91-124-4135001

Complaints Report

Part A

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

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1	Mr. Shiva Shankar DA	09.04.2014	Resolved
2.	Dr. Jayaram Chigurupati	12.04.2014	Resolved
3.	Dr. Jayaram Chigurupati	24.05.2014	Pending [The same Complainant as mentioned in point 2 has sent another complaint dated 24.05.2014 which was received by the Company from NSE on June 5, 2014 and reply to this complaint will be sent shortly]

For Ranbaxy Laboratories Limited

(S.K. Patawari)
Company Secretary

Ranbaxy Laboratories Limited Gurgaon

Place: Gurgaon
Date: June 10, 2014

IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH
COMPANY PETITION NO. 132 OF 2014

IN THE MATTER OF THE COMPANIES ACT, 1956 AND THE COMPANIES ACT, 2013;

-AND-

IN THE MATTER OF SECTIONS 391 AND 394 OF THE COMPANIES ACT, 1956 INCLUDING REDUCTION OF CAPITAL AND RESERVES AND SURPLUS PURSUANT TO SECTION 78 (INCLUDING CORRESPONDING SECTION 52 OF THE COMPANIES ACT, 2013), SECTION 100 AND OTHER RELEVANT PROVISIONS OF THE COMPANIES ACT

-AND-

IN THE MATTER OF A SCHEME OF ARRANGEMENT BETWEEN:

RANBAXY LABORATORIES LIMITED

-AND-

SUN PHARMACEUTICAL INDUSTRIES LIMITED

1. RANBAXY LABORATORIES LIMITED

Registered Office at A-41, Industrial Area Phase VIII-A, SAS Nagar, Mohali - 160 071, (Punjab)

....TRANSFEROR COMPANY

2. SUN PHARMACEUTICAL INDUSTRIES LIMITED

Registered Office at SPARC, Tandalja, Vadodara – 390 020

....TRANSFEREE COMPANY

FORM OF PROXY

I/We,_____ the undersigned, being the equity shareholder of RanbaxyLaboratoriesLimited,herebyappointMr./Ms._____ of _____ failinghim/her_____of_____ as my/our proxy to act for me/us at the Court Convened Meeting of the Equity Shareholders of Ranbaxy Laboratories Limited to be held on Friday, 19th September, 2014 at 11:00 A.M. at Auditorium of The National Institute of Pharmaceutical Education and Research (NIPER), Sector-67, S.A.S. Nagar (Mohali)-160062, Punjab, for the purpose of considering, and, if thought fit, approving, with or without modification(s), the Scheme of Arrangement between Ranbaxy Laboratories Limited and Sun Pharmaceutical Industries Limited, and at such meeting and any adjournment/adjournments thereof, to vote, for me/us and in my/our name_____ (here, if 'for', insert "for", if 'against' insert "against" and in the latter case, strike out the words below after the "Scheme of Arrangement") the said Scheme of Arrangement either with or without modification(s) as my/our proxy may approve.

Dated this_____day of _____2014

Revenue stamp of Re. 1

Name _____

Address _____

(For Physical Holding) Reg. Folio No. _____

(For Demat Holding) DP ID No. _____ Client ID No._____

No. of Shares held_____

_____
Signature

_____ _____ _____

Signature of Shareholder(s) Sole/First Holder | Second Holder | Third Holder

_____
Signature of Proxy

Note:

1. The Form of Proxy must be deposited at the Registered Office of the Company not later than 48 (forty eight) hours before the time of holding the aforesaid meeting.
2. All alterations made in the Form of Proxy should be initialed.
3. In case of multiple proxies, the proxy later in time shall be accepted.

This page has been intentionally left blank.

RANBAXY

Trusted medicines.Healthier lives

RANBAXY LABORATORIES LIMITED

CIN: L24231PB1961PLC003747

Regd. Office: A-41, Industrial Area Phase VIII-A, Sahibzada Ajit Singh Nagar, Mohali-160 071 (Punjab)

E-mail: secretarial@ranbaxy.com Website: http://www.ranbaxy.com

ATTENDANCE SLIP

I/We hereby record my/our presence at the Court convened meeting, pursuant to the Order dated 5th August, 2014, Hon'ble High Court of Punjab & Haryana at Chandigarh, of the Equity Shareholders of the Company at Auditorium of The National Institute of Pharmaceutical Education and Research (NIPER), Sector-67, S.A.S. Nagar (Mohali)-160062, Punjab, in the state of Punjab on Friday, 19th September, 2014 at 11:00 A.M.

Name of the Equity Shareholder	
Address	
Folio No./ DP ID No.	
Client ID No.	
No. of Equity Shares held	
Name of Proxy Holder/Authorized Representative	

Signature of Equity Shareholder/ Authorized Representative

Signature of the Proxy

Note:

Equity shareholder attending the meeting in person or by proxy or through authorized representative are requested to complete and bring the attendance slip and hand it over at the entrance of the meeting hall.

REGISTERED BOOK-POST

If undelivered, please return to:

RANBAXY

Trusted medicines.Healthier lives

RANBAXY LABORATORIES LIMITED
12th Floor, Devika Tower
6, Nehru Place, New Delhi 110019 (India)