
**MEMORANDUM OF ASSOCIATION
&
ARTICLES OF ASSOCIATION
OF
EMCURE PHARMACEUTICALS LIMITED**



प्रत्येक भाग में
Part I, B.

निगमन का प्रमाण-पत्र

CERTIFICATE OF INCORPORATION

क्रमांक का सं.
No. 24251. of 19 81.

मैं एतद्वारा प्रमाणित करता हूँ कि आज

कम्पनी अधिनियम, 1956 (1956 का 1) के अधीन निगमित की गई है और यह
कम्पनी परिचीनित है।

I hereby certify that **EMCURE PHARMACEUTICALS PRIVATE**
LIMITED

dated 4/15/81

ADDIC
Secretary of Companies

Maharashtra, Bombay

on this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the
Company is limited.

मेरे हस्ताक्षर से आज को दिया गया।

Given under my hand at **BOMBAY** this **SIXTEENTH**
day of **APRIL** One thousand nine hundred and **EIGHTYONE**.

(T. S. V. PANDUR ANGA SARMA)

U
कम्पनियों का रजिस्ट्रार
Registrar of Companies.



मो.सं.सी. 10-1

I.S. 8-1

MSP/C-62-19 Genl. Adm./76-77-GPT/204(C-57)-6-6-76-10,000.

MAHARASHTRA

No. 11 : 24251

CERTIFICATE OF CHANGE OF NAME
UNDER THE COMPANIES ACT, 1956.

In the matter of EMCURE PHARMACEUTICALS LIMITED*

I do hereby certify that pursuant to the provisions of section 23 of Companies Act, 1956 and the Special Resolution passed under Sec. 31/44 of the Companies Act by the Company at its Annual/ Extra-Ordinary General Meeting held on 20th August, 2001.

the name of "EMCURE PHARMACEUTICALS LIMITED*

has been changed to "EMCURE PHARMACEUTICALS LIMITED"

and that said company has been duly incorporated as a company under provisions of the said Act.

Dated this EIGHTEENTH day of SEPTEMBER
One thousand nine hundred and ninety TWO THOUSAND & ONE.

*The Co. originally incorporated on 16.04.1981 as Pvt. Ltd Company (S. RAMAKANTHA) and became Deemed Public U/s 43A Registrar of Companies of C.A. 1956 w.e.f. 01.07.1993. Maharashtra, Pune



THE COMPANIES ACT, 1956
COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF
EMCURE PHARMACEUTICALS LIMITED

- I.** The name of the Company is **EMCURE PHARMACEUTICALS LIMITED.**
- II.** The registered office of the Company will be situated in the State of Maharashtra.
- III.** The Objects for which the Company is established are:
- A) The Main Objects of the Company to be pursued by the Company on its Incorporation:**
1. To manufacture, buy, sell, refine, manipulate, process, distill, compound, tablet, acquire, import, export or otherwise deal in pharmaceuticals, drugs and medicines, antibiotics, herbal, bacteriological and biological products, preparations and supplies of insecticides, pesticides, surgical supplies, pharmaceutical supplies, adhesives, disinfectants, sprays, cosmetics, and all other similar products, perfumes and essences, soaps, washing materials, salves, ointments, powders, toilet preparations and similar articles, plaster of paris, gypsum, oils, laboratory reagents.
- B) Objects Incidental or Ancillary to the attainment of the main objects:**
2. For the attainment of main objects, to carry on business as manufacturers of and as wholesale and retail chemists, drugists, herbalists, and perfumers, sundriesmen, chemical engineers, sterilizers, dyers, cleaners, makers of chemical plant, material, laboratory proprietors, meteorologists, engineers and metal workers and to carry on business as analytical and research work of any kind.
 3. To do business as manufacturers and wholesale/retail traders of heavy and pharmaceutical chemicals, tinctures, injections and of such appliances needed generally by hospitals, the medical profession or by the general public.
 4. To carry on the business as manufacturers and as wholesale and retail traders and refiners and processors of and dealers (whether by wholesale or retail) in all kinds of drugs, chemicals, acids, industrial and other gases, salts, alkalies, antibiotics, pharmaceutical, medicinal and chemical preparations, articles and compounds (whether of animal, vegetable or mineral origin) synthetic and man-made materials and fabrics of whatsoever nature.
 5. To produce, manufacture, use buy or otherwise acquire, sell, distribute, deal in and dispose of all articles, substances, products, apparatus and things of every class or description capable of being used in the attainment of the aforesaid objects and to do all such other things as are incidental or conducive to the attainment thereof.
 6. For the attainment of the main objects to carry on, establish and promote chemical, pathological and biological laboratories and animal house with a view to examine and report on chemical, clinical, pathological, bacteriological specimens of every kind, and to conduct chemical, medicinal, herbal, pharmacological and pathological research work of every kind.
 7. For the attainment of the main objects to acquire, promote, sponsor, support, establish, carry on cultivation of medicinal and aromatic plants, flowers and farms for cultivating medicinal and aromatic plants.

8. To manufacture, buy, sell, refine, manipulate, process, distill, compound, tablet, acquire, import, export, or otherwise deal in all kinds of chemicals, heavy chemicals, petrochemicals, fine chemicals, synthetic chemicals, electrochemicals, organic and inorganic chemicals, intermediates, agricultural chemicals, plastic chemicals, photographic chemical products, metals, non-metals, acids, industrial and other gases, salt and its by-products, alkalies fertilizers and chemicals, industrial and other preparation articles and compounds (whether of animal, vegetable, mineral or any other origin) cellulose cement, dyes, paints, pigments, varnishes, resins, colours.
9. To make and enter into forward transactions permissible in law in raw materials, other goods or merchandise and commodities as are required for the purposes of the Company.
10. To pay for any property or rights acquired by the Company either in cash or fully or partly paid shares including shares with or without preferred or guaranteed rights in respect of dividend or repayment of capital or otherwise, or by the issue of any securities which the Company has the power to issue, or partly in one mode and partly in another and generally on such terms as the Company may determine.
11. To establish or promote or concurring establishing promoting any other company whose object shall include the acquisition and taking over all or any of the assets and liabilities of this Company or the promotion of which shall be in any manner calculated to advance directly or indirectly the objects or interest of this Company, and to place acquire hold or dispose of shares, stock or securities, issued by such Company or any other obligation of any such Company.
12. To appoint directors or managers of any subsidiary Company or of any other Company in which this Company is or may be interested.
13. To sublet all or any contracts from time to time and upon such terms and conditions as may be thought expedient.
14. For the purpose of the business of the Company to transact and carry on all kinds of agency business.
15. To give guarantees and carry on and transact every kind of guarantees and counter guarantee business and in particular to guarantee the payment of any principal moneys, interests or other moneys secured or payable under any debentures, bonds, debenture stock, mortgages, contracts, obligations and securities and the payment of dividends on and the repayment of the capital or stocks and shares of all kinds and descriptions.
16. To establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the Company or its predecessors in business or of persons having dealings with the Company or the dependents, relatives, connected with such persons and in particular friendly or other benefit societies, and to grant pensions, allowances, gratuities and bonuses either by way of annual payments or as a lumpsum and to make payments towards insurances and to form and contribute to provident and benefit funds of or for such persons.
17. To enter into contracts, agreements and arrangements with any other person, firms, Company, or body corporate for carrying out by such other persons, firm, Company or body corporate on behalf of the Company of any of the objects, for which the Company is formed.
18. To repair, alter, remodel, clean, renovate, convert, manipulate and prepare for resale and resell any goods from time to time belonging to the Company.
19. To enter into any arrangement with any Government or authority, supreme, municipal, local or otherwise, that may seem conducive to the Company's objects or any other and to obtain from any such Government or authority all rights, concessions and privileges which the Company may think it desirable to obtain and to carry out, exercise and comply with any such arrangements, rights, privileges, concessions.

20. To purchase, take on lease or in exchange, hire or otherwise acquire any immovable or movable property, and rights or privileges which the Company may think necessary or convenient for the purpose of its business or which may enhance the value of any other property of the Company and in particular, any lands, buildings, easements, machinery, plant and stock-in-trade and retain any property to be acquired for the purpose of the Company's business purposes or turn the same to account as may seem expedient.
21. To build, construct, alter, improve, maintain, enlarge, pulldown, remove or replace and to develop, work, manage, carry out and control any buildings, offices, electric works, shops, stores, chawls and other works and conveniences which the Company may think necessary and convenient for the purpose of the business of the Company and which may seem calculated directly or indirectly to enhance the Company's interest and to contribute to, subsidise or otherwise assist or take part in the construction, improvement, maintenance, development, working management carrying out or control thereof and to join with any other person, firm or Company in doing any of these things.
22. To employ experts to investigate and examine into conditions, prospects, value, character and circumstances of any business concern and undertaking and generally of any assets, property or rights.
23. To amalgamate, enter into any partnership or into any arrangement for sharing profits, union of interest, co-operation, joint-venture for reciprocal concessions or for limiting competition with any person or Company carrying on or engaged in or about to carry on or engage in any business or transaction or which can be carried on in conjunction therewith or which is capable of being conducted as directly or indirectly to benefit the Company.
24. To acquire and undertake the whole or any part of the business property and liabilities of any person, firm, body corporate or Company carrying on or proposing to carry on any business which the Company is authorised to carry on or possessed of property, suitable for the purpose of this Company or which is capable of being conducted so as directly or indirectly to benefit the Company.
25. To sell, lease, mortgage or otherwise dispose of the property, assets or undertaking of the Company or any part thereof, for such consideration as the Company may think fit and in particular for shares, stocks, debentures or other securities of any other Company whether or not having objects altogether or in part similar to those of the Company.
26. To let on lease or on hire purchase system or to lend or otherwise dispose of any property belonging to the Company and to finance the purchase of any article or articles, whether made by the Company or not by way of loans or by the purchase of any such article or articles and the letting thereof on the hire purchase system or otherwise howsoever.
27. To pay, out of the funds of the Company all expenses which the Company may lawfully pay, with respect to the promotion, formation and registration of the Company or the issue of its capital including brokerage and commission for obtaining or taking or procuring the underwriting of shares, debentures or other securities of the Company.
28. To adopt such means of making known the business of the Company as may seem expedient and in particular, by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations.
29. To receive money on deposit or loan and borrow or raise money in such manner as the Company shall think fit and in particular by the issue of debentures or debenture- stock (perpetual or otherwise) and to secure the repayment of any money borrowed, raised or owing by mortgage, charge or lien upon all or any of the property or assets of the Company (both present and future) including its uncalled capital and also by a similar mortgage, charge or lien to secure and guarantee the performance by the Company or any other

person or Company as the case may be.

30. To lend advance monies or give credit to such person or companies and on such terms as may seem expedient and in particular to customers and others having dealings with the Company, to guarantee the performance of any contract or obligation and the payment of monies of or by such person or companies.
31. To draw, make, accept, endorse, discount, execute and issue bills of exchange, promissory notes, bills of lading, warrants, debentures and other negotiable or transferable instruments or securities.
32. To make donations to such persons or institutions and in such cases and either of cash or any other assets as may be thought directly or indirectly conducive to any other Company's objects or otherwise expedient and in particular, to remunerate any person or corporation introducing business to this Company, and also to subscribe, contribute or otherwise assist to guarantee money for charitable, scientific, religious or benevolent, national, public or other institutions and objects.
33. To remunerate any person or Company for services rendered in placing or assisting to place or guaranteeing the placing of shares in the Company's capital or any debentures, debenture-stock or other securities of the Company or in or about the formation, or promotion of the Company or the acquisition of property by the Company or the conduct of its business.
34. To purchase or acquire or otherwise obtain and enter into any manner of technical, financial and other collaboration agreements with any person, firm, Company or body corporate or local body or authority or Government, both Central as well as State or in any part of the world for the purchase or acquisition of technical knowledge know-how or any other secret technical or other information.
35. To apply for purchase or otherwise acquire and protect and renew in any part of the world any patents, patent rights, brevets'd invention trademarks, designs, licences, concessions and the like conferring any exclusive or non-exclusive or limited right to their use or any secret or other information which may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem calculated directly or indirectly to benefit the Company and to use or otherwise turn to account the property, rights or information so acquired and to spend money in experimenting upon, testing or improving any such patents, inventions or rights.
36. To invest and deal with the moneys of the Company, not immediately required, upon such securities and in such manner as may from time to time be determined.
37. To promote, organise and hold, or assist in promoting, organising and holding, industrial and other exhibitions for the furtherance of trade, industry or commerce, to appoint agents or agencies, to open branches or other offices for the purpose of advertising, selling, exhibiting, keeping or disposing of goods and other merchandise in connection with Company's objects.
38. To do all or any of the above things, either as principals, agents, contractors or otherwise (and either alone or in conjunction with others).
39. To establish, provide, maintain, and conduct, or otherwise subsidise, assist, research laboratories and technical and other research and experiments and to undertake and carry on all scientific, technical researches, experiments and tests of all kinds and to promote studies and research, both scientific and technical, investigations and inventions.
40. To open current or fixed accounts with any bank, banks, shroff or merchant, and to pay into and draw money from such accounts.
41. Subject to the provisions of the Companies Act, 1956, to distribute among the members in specie any property of the Company or any proceeds of disposal of any property of the Company in the event of winding up.

C. OTHER OBJECTS

42. To purchase, take on lease or in exchange, or otherwise acquire any lands and buildings and any estate or interest in, and any rights connected with any such lands and buildings.
43. To carry on throughout India and elsewhere the business of running motor vehicles, motor lorries and generally all kinds of vehicles on contract or otherwise and to construct equip, maintain and work automobile, motor lorries, motor cars and all kinds of vehicles appropriate for the carriage of passengers and goods and to carry on the business of automobile proprietors and carriers of goods and generally to carry on the business as public carriers.
44. To undertake, carry out, promote and sponsor rural development including any programme for promoting the social and economic welfare of or the uplift of the public in any rural area and to incur any expenditure on any programme of rural development and to assist in execution and promotion thereof either directly or through an independent agency or in any other manner. Without prejudice to the generality of the foregoing, "Programme of rural development" shall also include any programme for promoting the social and economic welfare of or the uplift of the public in any rural areas end that the words "rural area" shall include such area as may be regarded as rural areas under Sec. 35 CC of the Income Tax Act, 1961, or any other area law relating to rural development for the time being in force in order to implement any of the above mentioned objects or purposes the Directors may transfer without consideration or at such fair or concessional value and direct the ownership of any property of the Company to or in favour of any Public or Local Body or Authority or Central or State Govt. or any Public Institution or Trusts.
45. To undertake, carry out, promote and sponsor or assist any activity for the promotion and growth of national economy and for discharging social and moral responsibilities of the Company to the public or any section of the public as also any activity to promote national welfare or social, economic or moral uplift of the public or any section of the public and without prejudice to the generality of the foregoing, to undertake, carry out, promote and sponsor any activity for publication of any books, literature, news papers etc. or for organising lectures or seminars likely to advance these objects or for giving merit awards, giving scholarship, loans or any other assistance to deserving students or other scholars or persons to enable them to prosecute their studies or academic pursuits or researches and for establishing, conducting or assisting any institution, fund, trust, etc., having anyone of the aforesaid objects as one of its objects, by giving donations or otherwise in any other manner and the Directors may in order to implement any of the above mentioned objects or purposes, transfer without consideration or at such fair or concessional value and direct the ownership of any property of the Company to or in favour of any public or local body or authority or Central or State Govt. or any Public Institutions or Trusts.
46. To carry on the business or trade of insurance agents, capitalists, Company promoters, merchants, exporters, importers, hoteliers, underwriters, newspapers proprietors, builders, contractors and suppliers of goods to government and other public and private bodies, shroffs, guarantee brokers, miners, carriers by land and water, charterers, commission agents, and other agents, marine, fire and other insurancers, muccadums and brokers, ginner, pressers, packers, cleaners, spinners, weavers, bleachers, dyers and manufacturers, merchants and dealers in mechanical and electrical machinery, spare parts, goods, stores and motor cars and vehicles.
47. To carry on the business of manufacturers of drums, barrels, tanks and containers, tubes, aerosol containers of every description from steel, tin and other metals and of such substances like paper etc.
48. To purchase from within the Country or import from abroad machinery for manufacturing or resale and also to sell machinery that may be purchased or imported for manufacturing purposes.

49. To carry on business as financiers, commercial agents, mortgage brokers, financial agents and advisors.
50. To carry on the business and to act as Merchants, Traders, Commission Agents, Importers, Exporters, Wine and Provision Merchants, Brokers, Manufacturers, Representatives, Contractors, Carriers, Ship-Owners, Charterers of ship or other vessels, Warehousemen, Ship and insurance Brokers, Forwarding Agents or in any other capacity in India or elsewhere.
51. To carry on the business of farming in all its branches.
52. To carry on business of dairymen and the manufacture and sale by wholesale or retail of cheese, butter, and other milk products, condensed milk and every form of tinned milk sold in special containers of a special grade or quality.
53. To carry on business of livestock breeders of every variety of animal whether born of pedigree stock or for the purpose of its sale as meat, poultry.
54. To carry on the business of poultry farmers including erection or purchase of broiler houses and sale by wholesale or retail of live and dead poultry and eggs, eggs powders, powdered milk and all other products of farm produce.

IT IS HEREBY DECLARED THAT

- a) The objects incidental or ancillary to the attainment of the main objects of the Company as aforesaid shall be incidental or ancillary to the attainment of the other objects of the Company herein mentioned.
- b) The word, "Company" (save when used in reference to this Company) in this Memorandum shall be deemed to include any partnership or other body or association of persons whether incorporated or not and wherever domiciled.
- c) The objects set forth in each of the several clauses of paragraph III hereof shall have the widest possible construction and shall extend to any part of the world.
- d) Nothing in this paragraph shall authorise the Company to do business which may fall within the purview of the Banking Regulation Act, 1949 or the Insurance Act, 1938.

IV. The liability of the members is limited.

V. * The Authorised Share Capital of the Company is INR 2,50,00,00,000/- (Rupees Two Hundred and Fifty Crore Only) divided into 25,00,00,000 (Twenty-Five Crore) equity shares of INR 10/- (Rupees Ten Only) each.

The Share Capital of the Company may be classified into: (i) Equity Shares with voting rights; (ii) Equity shares with differential rights as to dividend, voting or otherwise in accordance with the applicable provisions of the Act, Rules, and Law, from time to time; and (iii) preference shares, convertible or non-convertible into Equity Shares, as permitted and in accordance with the applicable provisions of the Act and Law, from time to time.

***Altered vide Special Resolution passed in the Annual General Meeting of the Company held on July 30, 2021.**

We, the several persons whose names and addresses are subscribed are desirous of being formed into a company in pursuance of these Memorandum of Association and we respectively agree to take the number of shares in the capital of the company set opposite to our respective names.

Signature, Names, Address, Descriptions and Occupation of Subscribers	Number of the Shares taken by each Subscriber	Signature, Names, Addresses, Descriptions and Occupation of Witnesses.
<p>1. Sd/-</p> <p>Ramanlal A. Mehta S/o. Ambalal C. Mehta 4, Bombay Pune Road, Kirkee, Pune - 411003</p> <p>Business</p>	<p>10 (Ten) Equity</p>	<p>Sd/</p> <p>Hemant Manohar Joshi S/o. Dr. Manohar K. Joshi I 189/90 Sadashiv Peth Poona – 411 030</p> <p>Business</p>
<p>2. Sd/-</p> <p>Satish R. Mehta S/o. Ramanlal A. Mehta Address As above</p> <p>Business</p>	<p>10 (Ten) Equity</p>	
	<p>Total 20 (Twenty) Equity</p>	

This set of Articles of Association has been adopted by the shareholders of the Company by passing a special resolution at the Extra-ordinary General Meeting of the Company held on December 11, 2023 in substitution and exclusion of the previous set of Articles of Association of the Company.

THE COMPANIES ACT, 2013

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

EMCURE PHARMACEUTICALS LIMITED

1. CONSTITUTION OF THE COMPANY

- a) *The regulations contained in table “F” of schedule I to the Companies Act, 2013 shall apply only in so far as the same are not provided for or are not inconsistent with these Articles.*
- b) *The regulations for the management of the Company and for the observance of the shareholders thereof and their representatives shall be such as are contained in these Articles subject however to the exercise of the statutory powers of the Company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by special resolution as prescribed by the Companies Act, 2013.*

2. INTERPRETATION

A. DEFINITIONS

In the interpretation of these Articles the following words and expressions shall have the following meanings unless repugnant to the subject or context.

- a. **“Act”** means the Companies Act, 2013 and all rules, notifications, circulars and clarifications issued thereunder and shall include all amendments, modifications and re-enactments of the foregoing.
- b. **“Article”** or **“Articles”** means these articles of association of the Company as originally framed or as altered from time to time or applied in pursuance of the Act.
- c. **“ADRs”** shall mean American Depository Receipts representing ADSs.

- d. **“ADSs”** shall mean American Depository Shares, each of which represents a certain number of Equity Shares.
- e. **“Board”** shall mean the Board of Directors of the Company, as constituted from time to time, in accordance with Law and the provisions of these Articles.
- f. **“Capital” or “Share Capital”** shall mean the share capital, for the time being comprising the Equity Share Capital and preference share capital, as may be the case, raised or authorised to be raised by the Company in terms of these Articles, the Act and the Memorandum of Association of the Company.
- g. **“Company”** means Emcure Pharmaceuticals Limited, a company incorporated under the laws of India and having its registered office in the State of Maharashtra (which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors and permitted assigns).
- h. **“Depositories Act”** shall mean The Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof.
- i. **“Depository”** shall mean a Depository as defined in Clause (e) of sub-section (1) of Section 2 of the Depositories Act.
- j. **“Equity Shares”** shall mean the issued, subscribed and fully paid-up equity shares of the Company.
- k. **“GDRs”** shall mean the registered Global Depository Receipts, representing GDSs.
- l. **“GDSs”** shall mean the Global Depository Shares, each of which represents a certain number of Equity Shares.
- m. **“Law”** means all applicable provisions of all (a) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, ordinances or orders of any governmental authority, (b) governmental approvals and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any governmental authority;
- n. **“Memorandum”** shall mean the memorandum of association of the Company, as amended from time to time.

- o. **“Member”** shall mean:
 - (i) the subscriber to the Memorandum of the Company who shall be deemed to have agreed to become member of the Company, and on its registration, shall be entered as member in its register of members;
 - (ii) every other person who agrees in writing to become a member of the Company and whose name is entered in the register of members of the Company;
 - (iii) every person holding shares of the Company and whose name is entered as a beneficial owner in the records of a depository.
- p. **“Person”** shall mean any natural person, sole proprietorship, partnership, Company, body corporate, governmental authority, joint venture, trust, association or other entity (whether registered or not and whether or not having separate legal personality).
- q. **“Register of Members”** shall mean the register of members to be maintained as per the Act.
- r. **“Seal” or “Common Seal”** shall mean the common seal(s) for the time being of the Company.
- s. **“SEBI Listing Regulations”** shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- t. **“Securities”** shall have the meaning assigned to the term in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956, as may be amended from time to time.
- u. **“Key Managerial Personnel”** – means (i) Managing director or Chief Executive Officer (CEO) or Manager, (ii) Company Secretary, (iii) Whole time director, (iii) Chief Financial Officer (CFO); and (iv) such other officers as may be prescribed under the Act and the relevant rules.
- v. **“Ownership”** shall have the meaning ascribed to it in the Shareholders’ Agreement.

3. **EXPRESSIONS IN THE ACT AND THESE ARTICLES**

Save as aforesaid, any words or expressions defined in the Act or the Depositories Act or the SEBI Listing Regulations, shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

4. SHARE CAPITAL

- (a) The authorised Share Capital of the Company shall be as stated under Clause V of the Memorandum of Association of the Company from time to time.
- (b) The Share Capital of the Company may be classified into: (i) Equity Shares with voting rights; (ii) Equity shares with differential rights as to dividend, voting or otherwise in accordance with the applicable provisions of the Act, rules, and Law, from time to time; and (iii) preference shares, convertible or non-convertible into Equity Shares, as permitted and in accordance with the applicable provisions of the Act and Law, from time to time.
- (c) Subject to Article 4(b), all Equity Shares shall be of the same class and shall be alike in all respects and the holders thereof shall be entitled to identical rights and privileges including without limitation to identical rights and privileges with respect to dividends, voting rights, and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company.
- (d) Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered, to the Company in the conduct of its business, and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be. However, the aforesaid shall be subject to the approval of members under the relevant provisions of the Act and rules.
- (e) Nothing herein contained shall prevent the Directors from issuing fully paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.
- (f) Except so far as otherwise provided by the conditions of issue or by these presents, any Capital raised by the creation of new Equity Shares, shall be considered as part of the existing Capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
- (g) Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any Equity Shares therein, shall be an acceptance of shares within the meaning of these Articles and

every person who thus or otherwise accepts any shares and whose name is entered on the Register of Members shall for the purposes of these Articles be a Shareholder.

- (h) The money, (if any), which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the name of the allottee, in the Register of Members as the name of the holder of such Equity Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.
- (i) The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
- (j) Subject to the provisions of these Articles, the Company shall have the power, subject to and in accordance with the provisions of Section 54 of the Act and other relevant regulations in this regard from time to time, to issue sweat equity shares to its employees and/or Directors on such terms and conditions and in such manner as may be prescribed by Law from time to time.

5. PREFERENCE SHARES

Subject to the provisions of Section 55 and other applicable provisions of the Act and applicable Law, the Company shall have power to issue any Preference Shares, which are liable to be redeemed / convertible into securities on such terms and in such manner as the Company may determine before issue of such preference shares.

6. POWER TO ISSUE SECURITIES

The Company shall, subject to the applicable provisions of the Act and rules and Regulation, have the power to issue debentures, preference shares, foreign currency convertible bonds, floating rate notes, options (including options to be approved by the Board (whether or not issued) pursuant to an employee stock option plan) or warrants or other securities or rights which are by their terms convertible or exchangeable into equity shares.

7. ADRS/GDRS

The Company shall, subject to the applicable provisions of the Act, compliance with all Law and the consent of the Board, have the power to issue ADRs or GDRs on such terms and in such manner as the Board deems fit including their conversion and repayment. Such terms may include at the

discretion of the Board, limitations on voting by holders of ADRs or GDRs, including without limitation, exercise of voting rights in accordance with the directions of the Board.

8. ALTERATION OF SHARE CAPITAL

The Company shall have power to alter its share capital in the manner permitted under the provisions of Section 61 of the Act.

9. REDUCTION OF SHARE CAPITAL

The Company may, subject to Section 66 and other applicable provisions of the Act, from time to time, reduce its Capital, any capital redemption reserve account and the securities premium account in any manner, for the time being, authorized by Law. This Article is not to derogate any power the Company would have under Law, if it were omitted.

10. POWER OF COMPANY TO PURCHASE ITS OWN SECURITIES

Pursuant to a resolution of the Board or the shareholders as the case may, the Company may purchase its own Equity Shares or other Securities, by way of a buy-back arrangement, in accordance with Sections 68, 69 and 70 of the Act, the rules and regulations formulated by any statutory/regulatory authority as may be applicable from time to time.

11. VARIATION OF CLASS OF SHAREHOLDERS' RIGHTS

Where the Capital is divided (unless otherwise provided by the terms of issue of the shares of that class) into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 of the Act and Law, and whether or not the Company is being wound up, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any Person purporting to contract on behalf of that class, provided the same is effected with consent in writing and by way of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class. Subject to Section 48(2) of the Act and Law, all provisions hereafter contained as to General Meetings (including the provisions relating to quorum at such meetings) shall mutatis mutandis apply to every such meeting.

12. REGISTERS TO BE MAINTAINED BY THE COMPANY

- (a) The Company shall, in terms of the provisions of Section 88 of the Act and the provisions of the Depositories Act, cause to be kept the following registers in terms of the applicable provisions of the Act:

- (i) A Register of Members indicating separately for each class of Equity Shares and preference shares held by each Shareholder residing in or outside India;
 - (ii) A register of Debenture holders; and
 - (iii) A register of any other security holders.
- (b) The register(s) and index of beneficial owners maintained by a depository under the Depositories Act, as amended, shall be deemed to be the corresponding register(s) and index required under (a) above and the Act.
- (c) The Company shall also be entitled to keep in any country outside India, a part of the registers referred above, called “foreign register” containing names and particulars of the Shareholders, Debenture holders or holders of other Securities or beneficial owners residing outside India.

13. SHARES AND SHARE CERTIFICATES

- (a) Every member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one or several joint holders shall be a sufficient delivery to all such holders.
- (b) The Company shall issue, re-issue and issue duplicate share certificates in accordance with the provisions of the Act and in the form and manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014.

- (c) A duplicate certificate of shares may be issued, if such certificate:
 - i. is proved to have been lost or destroyed; or
 - ii. has been defaced, mutilated or torn and is surrendered to the Company.
- (c) The Company shall be entitled to dematerialize its existing shares, rematerialize its shares held in the depository and/or to offer its fresh shares in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.
- (d) A certificate, issued under the Common Seal, if any, of the Company and signed by two Directors or by a Director and the Company Secretary, specifying the shares held by any Person shall be *prima facie* evidence of the title of the Person to such shares. Where the shares are held in dematerialized form, the record of depository shall be the *prima facie* evidence of the interest of the beneficial owner.
- (e) If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed, then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Articles shall be issued without payment of fees if the Board / Committee of the Board so decide or on payment of such fees (not exceeding Rupees fifty for each certificate) as the Board shall prescribe. Provided that no fee shall be charged for issue of a new certificate in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Board shall comply with the applicable provisions of the Act, rules or regulations or requirement of any Stock Exchange and rules made under the Securities Contracts (Regulation) Act, 1956, as amended or any other Act or rules applicable in this behalf.

- (f) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

- (g) The provisions of this Article shall mutatis mutandis apply to Debentures and other Securities of the Company.
- (h) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine-numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may authorize for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.

14. SHARES AT THE DISPOSAL OF THE BOARD

- (a) Subject to the provisions of Section 62 and other applicable provisions of the Act, and these Articles, the shares in the Capital of the Company for the time being (including any shares forming part of any increased Capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par or at discount (subject to compliance with Section 53 and 54 of the Act) and at such time as they may from time to time think fit and with sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting. A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of right issue, preferential offer or private placement, subject to and in accordance with the Act, rules and other applicable provisions of law.
- (b) Every Shareholder, or his heir(s), Executor(s), or Administrator(s) shall pay to the Company, the portion of the Capital represented by his share or shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Articles require or fix for the payment thereof.

- (c) The Company shall comply with the Companies (Share capital and Debentures) Rules 2014 in respect of issue, re –issue, sub – division, consolidation, renewal of share certificate, sealing and signing of certificates and the records to be maintained of certificates issued by the Company. The Company shall deliver the certificates of all securities as per Section 56 (4) of the Act.

15. Further Issue of Shares

1. Where at any time, it is proposed to increase the subscribed capital of the Company by allotment of further shares then:
 - (a) Such further shares shall be offered to the persons who, at the date of the offer, are holders of the Equity Shares of the Company, in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer, subject to the following conditions, namely:-
 - (b) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days or such lesser number of days as may be prescribed and not exceeding thirty days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;
 - (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (b) shall contain a statement of this right;
 - (d) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the Company.
2. To employees under a scheme of employees' stock option (“**ESOP**”), subject to special resolution passed by the Company and subject to such conditions as may be prescribed under the Act and other applicable Law;
or
3. To any persons, if authorised by a special resolution, whether or not those persons include the persons referred to in (a) or (b) above, either for cash or for a consideration other than cash, subject to compliance with applicable Law.

4. The notice referred to in sub-clause (b) of clause 1 of Article 15 shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three days before the opening of the issue.
5. Notwithstanding anything contained in sub-clause (1), the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever:
 - (a) If a special resolution to that effect is passed by the Company in general meeting, or
 - (b) Where no such resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.
6. Nothing in sub-clause (c) of (1) hereof shall be deemed :
 - (a) To extend the time within which the offer should be accepted; or
 - (b) To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
7. Nothing in this Article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option as a term attached to the debentures issued or loans raised by the company:
 - (a) To convert such debentures or loans into shares in the Company; or
 - (b) To subscribe for shares in the Company

Provided that the terms of issue of such debentures or the terms of such loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in General Meeting.

Notwithstanding anything contained above, in case of debentures issued or loan granted by any Government, if that Government considers it necessary

in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion.

Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty (60) days from the date of communication of such order, or such other time as may be provided under Law, appeal to the National Company Law Tribunal which shall after hearing the Company and the Government pass such order as it deems fit.

16. UNDERWRITING AND BROKERAGE

- (a) Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscription, (whether absolutely or conditionally), for any shares or Debentures in the Company in accordance with the provisions of the Act, Companies (Prospectus and Allotment of Securities) Rules, 2014 and regulations prescribed by SEBI for this purpose as amended from time to time.
- (b) The Company may also, on any issue of shares or Debentures, pay such brokerage as may be lawful.

17. CALLS ON SHARES

- (a) Subject to the provisions of Section 49 of the Act, the Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, (and not by circular resolution), make such call as it thinks fit upon the Shareholders in respect of all money unpaid on the shares held by them respectively and each Shareholder shall pay the amount of every call so made on him to the Person or Persons and Shareholders and at the times and places appointed by the Board. A call may be made payable by installments. Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in the General Meeting.
- (b) Such days' notice in writing as permitted under the Act, at the least shall be given by the Company of every call (otherwise than on allotment) specifying the time and place of payment and if payable to any Person other than the Company, the name of the person to whom the call shall be paid, provided that before the time for payment of such call, the Board may by notice in writing to the Shareholders revoke the same.

- (c) The Board may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call and thereupon the call shall be deemed to have been made on the date so determined and if no date is determined, the call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be made payable by the Shareholders whose names appear on the Register of Members on such date or at the discretion of the Board on such subsequent date as shall be fixed by the Board. A call may be revoked or postponed at the discretion of the Board.
- (d) The joint holder of a share shall be jointly and severally liable to pay all instalments and calls due in respect thereof.
- (e) The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Shareholders who, from residence at a distance or other cause the Board may deem fairly entitled to such extension; but no Shareholders shall be entitled to such extension save as a matter of grace and favour.
- (f) If any Shareholder or allottee fails to pay the whole or any part of any call or installment, due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Shareholder.
- (g) Any sum, which by the terms of issue of a share or otherwise, becomes payable on allotment or at any fixed date or by installments at a fixed time whether on account of the nominal value of the share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue or otherwise the same became payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall apply as if such sum became payable by virtue of a call duly made and notified.
- (h) On the trial or hearing of any action or suit brought by the Company against any Shareholder or his legal representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Shareholder in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder, or one of the holders at or

subsequent to the date at which the money sought to be recovered is alleged to have become due on the shares; that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Shareholder or his representatives so sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.

- (i) Neither a judgment nor a decree in favour of the Company for calls or other money due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from time to time be due from any Shareholder to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.
- (j) The Board may, if it thinks fit (subject to the provisions of Section 50 of the Act) agree, to and receive from any Member willing to advance the same, the whole or any part of the moneys due upon the shares held by him beyond the sums actually called up, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the Member paying such sum in advance and the Board agree upon, provided that the money paid in advance of calls shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so advanced.
- (k) No Member shall be entitled to voting rights in respect of the money(ies) so paid by him until the same would but for such payment, become presently payable.
- (l) The provisions of these Articles shall *mutatis mutandis* apply to the calls on Debentures of the Company.

18. COMPANY'S LIEN

- (a) The Company shall have a first and paramount lien:
 - (i) on every share / debentures (not being a fully paid shares / debentures), for all money (whether presently payable or not) called,

or payable at a fixed time, in respect of that share;

- (ii) on all shares (not being fully paid shares) standing registered in the name of a single person (whether solely or jointly with others), for all money presently payable by him or his estate to the Company; and
- (iii) on the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures.
- (iv) Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the company's lien if any, on such shares/debentures.

Provided that the Board may, at any time, declare any shares wholly or in part to be exempt from the provisions of this Article.

- (b) The fully paid up shares shall be free from all lien and in the case of partly paid up shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.
- (c) No equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and Company's lien, if any, on the shares, shall extend to all Dividends payable and bonuses declared from time to time in respect of such shares.

The Company may sell, in such manner, as the Board thinks fit, any shares on which the Company has a lien. Provided that no sale shall be made:

- (i) unless a sum in respect of which the lien exists is presently payable;
or
 - (ii) until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
- (d) To give effect to any such sale, the Board may cause to be issued a duplicate certificate in respect of such shares and authorize some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall

his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

- (e) The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the Person entitled to the shares at the date of the sale.
- (f) The provisions of this Article shall *mutatis mutandis* apply to the Debentures of the Company.

19. FORFEITURE OF SHARES

- (a) If any Shareholder fails to pay any call or installment or any part thereof or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or installment or any part thereof or other money remain unpaid or a judgment or decree in respect thereof remain unsatisfied, give notice to him or his legal representatives requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
- (b) The notice shall name a day, (not being less than 14 (fourteen) days from the date of the notice), and a place or places on or before which such call or installment or such part or other money as aforesaid and interest thereon, (at such rate as the Board shall determine and payable from the date on which such call or installment ought to have been paid), and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited.
- (c) If the requirements of any such notice as aforesaid are not be complied with, any share in respect of which such notice has been given, may at any time, thereafter before payment of all calls, installments, other money due in respect thereof, interest and expenses as required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture subject to the applicable provisions of the Act. There shall be no forfeiture of unclaimed Dividends before the claim becomes barred by Law.

- (d) When any share shall have been so forfeited, notice of the forfeiture shall be given to the Shareholder on whose name it stood immediately prior to the forfeiture or if any of his legal representatives or to any of the Persons entitled to the shares by transmission, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
- (e) Any share so forfeited shall be deemed to be the property of the Company and may be sold; re-allotted, or otherwise disposed of either to the original holder thereof or to any other Person upon such terms and in such manner as the Board shall think fit.
- (f) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares. The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
- (g) The forfeiture of a share shall involve extinction at the time of the forfeiture of all interest in all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.
- (h) A duly verified declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the shares.
- (i) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some Person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
- (j) Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall, (unless the same shall on demand

by the Company have been previously surrendered to it by the defaulting Shareholder), stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.

- (k) The Board may, at any time, before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

20. TRANSFER AND TRANSMISSION OF SHARES

- (a) The Company shall maintain a “Register of Transfers” and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any Share, Debenture or other Security held in a material form. The Company shall also use a common form of transfer.
- (b) In accordance with Section 56 of the Act, the rules and such other conditions as may be prescribed under Law, every instrument of transfer of shares held in physical form shall be in writing. In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act shall apply. All provisions of Section 56 of the Act and statutory modifications thereof for the time being shall be duly complied with in respect of all transfer of shares and registrations thereof.
- (c)
 - (i) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act
 - (ii) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee in a prescribed manner and the transferee communicates no objection to the transfer within 2 (two) weeks from the receipt of the notice.
- (d) Every such instrument of transfer shall be executed by both, the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof.
- (e) The Board shall have power on giving not less than 7 (seven) days previous notice by advertisement in a vernacular newspaper and in an English newspaper having wide circulation in the city, town or village in which the Office of the Company is situated, and publishing the

notice on the website as may be notified by the Central Government and on the website of the Company, to close the transfer books, the Register of Members and/or Register of Debenture-holders at such time or times and for such period or periods, not exceeding 30 (thirty) days at a time and not exceeding in the aggregate 45 (forty-five) days in each year, as it may deem expedient.

- (f) Subject to the provisions of Sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may refuse, whether in pursuance of any power of the Company under these Articles or otherwise, to register the transfer of, or the transmission by operation of law of the right to, any securities or interest of a Member in the Company. The Company shall, within 30 (thirty) days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal.

Provided that, registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

- (g) Subject to the applicable provisions of the Act and these Articles, the Board shall have the absolute and uncontrolled discretion to refuse to register a Person entitled by transmission to any shares or his nominee as if he were the transferee named in any ordinary transfer presented for registration, and shall not be bound to give any reason for such refusal and in particular may also decline in respect of shares upon which the Company has a lien.
- (h) Subject to the provisions of these Articles, any transfer of shares in whatever lot should not be refused, though there would be no objection to the Company refusing to split a share certificate into several scripts of any small denominations or, to consider a proposal for transfer of shares comprised in a share certificate to several Shareholders, involving such splitting, if on the face of it such splitting/transfer appears to be unreasonable or without a genuine need. The Company should not, therefore, refuse transfer of shares in violation of the stock exchange listing requirements on the ground that the number of shares to be transferred is less than any specified number.
- (i) In case of the death of any one or more Shareholders named in the Register of Members as the joint-holders of any shares, the survivors shall be the only Shareholder or Shareholders recognized by the Company as having any title to or interest in such shares, but nothing

therein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other Person.

- (j) The Executors or Administrators or holder of the succession certificate or the legal representatives of a deceased Shareholder, (not being one of two or more joint-holders), shall be the only Shareholders recognized by the Company as having any title to the shares registered in the name of such Shareholder, and the Company shall not be bound to recognize such Executors or Administrators or holders of succession certificate or the legal representatives unless such Executors or Administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in India, provided that the Board may in its absolute discretion dispense with production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board may in its absolute discretion deem fit and may under Article 22(a) of these Articles register the name of any Person who claims to be absolutely entitled to the shares standing in the name of a deceased Shareholder, as a Shareholder.
- (k) The Board shall not knowingly issue or register a transfer of any share to a minor or insolvent or Person of unsound mind, except fully paid shares through a legal guardian.
- (l) Subject to the provisions of Articles, any Person becoming entitled to shares in consequence of the death, lunacy, bankruptcy of any member or members, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board, (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some Person nominated by him and approved by the Board, registered as such holder; provided nevertheless, that if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.
- (m) A Person becoming entitled to a share by reason of the death or insolvency of a member shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a member in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Directors shall, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the shares, and if such notice is not complied with within 90 (Ninety) days, the Directors may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the shares until the requirements of the notice have been complied with.

- (n) Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the shares. Every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.
- (o) Where any instrument of transfer of shares has been received by the Company for registration and the transfer of such shares has not been registered by the Company for any reason whatsoever, the Company shall transfer the Dividends in relation to such shares to a special account unless the Company is authorized by the registered holder of such shares, in writing, to pay such Dividends to the transferee and will keep in abeyance any offer of right shares and/or bonus shares in relation to such shares.

In case of transfer and transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.

- (p) No fee shall be charged by the Company in respect of the registration of transfer or transmission of shares, or for registration of any power of attorney, probate, letters of administration and succession certificate, certificate of death or marriage or other similar documents, sub division and/or consolidation of shares and debentures and sub-divisions of letters of allotment, renounceable letters of right and split, consolidation, renewal and genuine transfer receipts into denomination corresponding to the market unit of trading.
- (q) The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof, (as shown or appearing in the Register of Members), to the prejudice of a Person or Persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had any notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give

effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.

- (r) The Company shall not register the transfer of its securities in the name of the transferee(s) when the transferor(s) objects to the transfer.

Provided that the transferor serves on the Company, within sixty working days of raising the objection, a prohibitory order of a Court of competent jurisdiction.

Provided that any physical transfer shall be allowed by the Company, unless the same is permitted under the Act or rules made thereunder.

21. TERM OF ISSUE OF DEBENTURE

Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

22. DEMATERIALIZATION OF SECURITIES

- (a) Dematerialization:

Notwithstanding anything contained in these Articles but subject to the provisions of Law, the Company shall be entitled to dematerialize its existing Securities, rematerialize its Securities held in the dematerialized form and/or to offer its fresh Securities in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.

- (b) Subject to the applicable provisions of the Act, instead of issuing or receiving certificates for the Securities, as the case maybe, the Company may exercise an option to issue, dematerialize, deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act as amended from time to time or any statutory modification thereto or re-enactment thereof.

(c) If a Person opts to hold his Securities in dematerialized form through a Depository, then notwithstanding anything to the contrary contained in these Articles the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.

(d) Securities in Depositories to be in fungible form:

All Securities held by a Depository shall be dematerialized and be held in fungible form. Nothing contained in Sections 88, 89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

(e) Rights of Depositories & Beneficial Owners:

(i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purposes of effecting transfer of ownership of Securities on behalf of the Beneficial Owner.

(ii) Save as otherwise provided in (i) above, the Depository as the Registered Owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

(iii) Every person holding shares of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a member of the Company.

(iv) The Beneficial Owner of Securities shall, in accordance with the provisions of these Articles and the Act, be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository.

(f) Except as ordered by a court of competent jurisdiction or as may be required by Law required and subject to the applicable provisions of the Act, the Company shall be entitled to treat the person whose name appears on the Register as the holder of any share or whose name appears as the Beneficial Owner of any share in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other

person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.

(g) Transfer of Securities:

(i) Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of Securities effected by transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

(ii) In the case of transfer or transmission of shares or other marketable Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply.

(h) Allotment of Securities dealt with in a Depository:

Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details of allotment of relevant Securities thereof to the Depository immediately on allotment of such Securities.

(i) Certificate Number and other details of Securities in Depository:

All the provisions in the Act or these Articles regarding the necessity to have certificate number/distinctive numbers for Securities issued by the Company shall not apply to Securities held with a Depository.

(j) Provisions of Articles to apply to Shares held in Depository:

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act.

23. NOMINATION BY SECURITY HOLDERS

A holder of a security may appoint a nominee for his securities subject to the provisions of Section 72 of the Act and subject to the provisions of the rules as may be prescribed in this regard.

24. NOMINATION IN CERTAIN OTHER CASES

Subject to the applicable provisions of the Act and these Articles, any person becoming entitled to Securities in consequence of the death, lunacy, bankruptcy or insolvency of any holder of Securities, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Securities or elect to have some Person nominated by him and approved by the Board registered as such holder; provided nevertheless that, if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Securities.

25. BORROWING POWERS

- (a) Subject to the provisions of Section 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board:
 - (i) accept or renew deposits from Shareholders;
 - (ii) borrow money by way of issuance of Debentures;
 - (iii) borrow money otherwise than on Debentures; and
 - (iv) generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.
- (b) Subject to the provisions of these Articles, the payment or repayment of money borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution of the Board shall prescribe including by the issue of bonds, perpetual or redeemable Debentures or debenture-stock, or any mortgage, charge, hypothecation, pledge, lien or other security on the undertaking of the whole or any part of the property of the Company, both present and future. Provided however that the Board shall not, except with the consent of the Company by way of a Special Resolution in General Meeting mortgage, charge or otherwise encumber, the Company's uncalled Capital for the time being or any part thereof and Debentures and other Securities may be assignable free from any equities between the Company and the Person to whom the same may be issued.

- (c) Any bonds, Debentures, debenture-stock or other Securities, may if permissible in Law, be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Provided that Debentures with rights to allotment of shares or conversion into shares shall not be issued except with, the sanction of the Company in a General Meeting accorded by a Special Resolution.
- (d) Subject to the applicable provisions of the Act and these Articles, if any uncalled Capital of the Company is included in or charged by any mortgage or other security, the Board shall make calls on the members in respect of such uncalled Capital in trust for the Person in whose favour such mortgage or security is executed, or if permitted by the Act, may by instrument under seal authorize the Person in whose favour such mortgage or security is executed or any other Person in trust for him to make calls on the members in respect of such uncalled Capital and the provisions hereinafter contained in regard to calls shall *mutatis mutandis* apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally or either presently or contingently and either to the exclusion of the Board's power or otherwise and shall be assignable if expressed so to be.
- (e) The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company; and shall cause the requirements of the relevant provisions of the Act in that behalf to be duly complied with within the time prescribed under the Act or such extensions thereof as may be permitted under the Act, as the case may be, so far as they are required to be complied with by the Board.
- (f) Any capital required by the Company for its working capital and other capital funding requirements may be obtained in such form as decided by the Board from time to time.

26. CONVERSION OF SHARES INTO STOCK AND RECONVERSION

- (a) The Company in General Meeting may, by Ordinary Resolution, convert any Paid-up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may

henceforth transfer their respective interest therein, or any part of such interests, in the same manner and subject to the same regulations as those subject to which shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may, by an Ordinary Resolution, at any time reconvert any stock into Paid-up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal account from which the stock arose.

- (b) The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards Dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose, but no such privileges or advantages, (except participation in the Dividends and profits of the Company and in the assets on winding-up), shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

27. QUORUM FOR GENERAL MEETING

The quorum for the members' Meeting shall be in accordance with Section 103 of the Act. Subject to the provisions of Section 103(2) of the Act, if such a quorum is not present within half an hour from the time set for the Shareholders' Meeting, the Shareholders' Meeting shall be adjourned to the same time and place or to such other date and such other time and place as the Board may determine and the agenda for the adjourned Shareholders' Meeting shall remain the same. If at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

28. CHAIRMAN OF THE GENERAL MEETING

The Chairman of the Board shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board or if at any meeting he is not be present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the Chair, then the Directors present shall elect one of them as Chairman. If no Director is present or if all the Directors present decline to take the Chair, then the Members present shall elect, on a show of hands or on a poll if properly demanded, one of their member to be the Chairman of the meeting. No business shall be discussed at any General Meeting except the election of a Chairman while the Chair is vacant.

29. ADJOURNMENT OF THE MEETING

The Chairman may, with the consent given in the meeting at which a quorum is present (and if so directed by the meeting) adjourn the General Meeting from time to time and from place to place within the city, town or village in which the Office of the Company is situated but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

30. DIRECTORS

(a) Subject to the applicable provisions of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (Fifteen), provided that the Company may appoint more than 15 (Fifteen) directors after passing a special resolution in a General Meeting.

(b) The first Directors of the Company were:

- 1) Mr. Hiralal Ambalal Mehta
- 2) Mr. Ramanlal Ambalal Mehta
- 3) Mr. Satish Ramanlal Mehta
- 4) Mr. Rajanikant Hiralal Mehta
- 5) Mr. Popatlal B. Shah

31. CHAIRMAN OF THE BOARD OF DIRECTORS

(a) The members of the Board shall elect any one of them as the Chairman of the Board and determine the period for which he is to hold office. The Chairman shall preside at all meetings of the Board and the General Meeting of the Company. The Chairman shall have a casting vote in the event of a tie.

(b) If for any reason the Chairman is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as Chairman, the members of the Board shall appoint any one of the remaining Directors as the Chairman of the meeting.

32. APPOINTMENT OF ALTERNATE DIRECTORS

Subject to Section 161 of the Act any Director shall be entitled to nominate an alternate director to act for him during his absence for a period of not less than 3 (three) months from India. The Board may appoint such a person as an Alternate Director to act for a Director (hereinafter called “**the Original Director**”) (subject to such person being acceptable to the Chairman) during the Original Director’s absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold

office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of the office of the Original Director is determined before he so returns to India, any provisions in the Act or in these Articles for automatic re-appointment shall apply to the Original Director and not to the Alternate Director.

33. CASUAL VACANCY AND ADDITIONAL DIRECTORS

Subject to the applicable provisions of the Act and these Articles, the Board shall have the power at any time and from time to time to appoint any qualified Person to be a Director either as an addition to the Board or to fill a casual vacancy but so that the total number of Directors shall not at any time exceed the maximum number fixed under Article 30. Any Person so appointed as an additional Director shall hold office only up to the earlier of the date of the next Annual General Meeting or at the last date on which the Annual General Meeting should have been held but shall be eligible for appointment by the Company as a Director at that meeting subject to the applicable provisions of the Act.

34. DEBENTURE DIRECTORS

If it is provided by a trust deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any Person/lender or Persons/lenders shall have power to nominate a Director of the Company, then in the case of any and every such issue of Debentures, the Person/lender or Persons/lenders having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to a Debenture Director. A Debenture Director may be removed from office at any time by the Person/lender or Persons/lenders in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares. The trust deed may contain ancillary provisions as may be arranged between the Company and the trustees and all such provisions shall have effect notwithstanding any other provisions contained herein.

35. NOMINEE DIRECTORS

Whenever the Board enters into a contract with any lenders for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or enter into any other arrangement, the Board shall have, subject to the provisions of Section 152 of the Act the power to agree that such lenders shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the common loan agreement/ facility agreement. The nominee director representing lenders shall not be required to hold qualification shares. The Directors may

also agree that any such Director, or Directors may be removed from time to time by the lenders entitled to appoint or nominate them and such lenders may appoint another or other or others in his or their place and also fill in any vacancy which may occur as a result of any such Director, or Directors ceasing to hold that office for any reason whatsoever. The nominee director shall hold office only so long as any monies remain owed by the Company to such lenders.

36. REMUNERATION OF DIRECTORS

- (a) Subject to the applicable provisions of the Act, a Director (other than a Managing Director or an executive Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act for each meeting of the Board or any Committee thereof attended by him.
- (b) The sitting fees payable to each Director for every meeting of the Board or Committee of the Board attended by them shall be such sum as may be determined by the Board from time to time within the maximum limits prescribed from time to time by the Central Government pursuant to the first proviso to Section 197 of the Act.
- (c) The Directors shall be paid such further remuneration (if any), as the Company in General Meeting shall from time to time determine, and such further remuneration shall be paid to or divided among the Directors or some or any of them in such proportion and manner as the Directors may from time to time determine;

37. SPECIAL REMUNERATION FOR EXTRA SERVICES RENDERED BY A DIRECTOR

Subject to the provisions of the Act and Law, if any Director is called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a member of any Committee formed by the Directors), the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board. Such remuneration may either be in addition, to or in substitution for his remuneration otherwise provided, subject to the applicable provisions of the Act.

38. CONTINUING DIRECTORS

The continuing Directors may act notwithstanding any vacancy in their body, but if, and so long as their number is reduced below the minimum number fixed by Article 30 (a) hereof, the continuing Directors not being less than two may act for the purpose of increasing the number of Directors to that number, or for summoning a General Meeting, but for no other purpose.

39. VACATION OF OFFICE BY DIRECTOR

The office of a Director, shall *ipso facto* be vacated on the grounds as mentioned in Sections 167 of the Act.

40. MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S)/ EXECUTIVE DIRECTOR(S) / MANAGER

- a) Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint from time to time any of its members as Managing Director or Managing Directors and/or Whole time Director/s and/or Special Director like Technical Director, Financial Director etc. of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and the Board may by resolution vest in such Managing Director or Managing Directors / Whole-time Director(s), Technical Director(s) and Financial Director(s) such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such conditions and subject to such restrictions as it may determine.
- b) The Managing Director shall not be liable to retire by rotation.
- c) A Managing Director so appointed shall exercise the powers and authorities conferred upon him by an agreement entered into between him and the Company and/or by a Resolution of the Board and be subject to the obligations and restrictions imposed upon him thereby or by the Act.
- d) Subject to the provisions of Section 197 of the Act, a Managing Director / Whole Time Director or Special Directors shall, in addition to any remuneration that might be payable to him as a Director of the Company under these Articles, receive such additional remuneration as may from time to time be approved by the Board and Company. The remuneration of such Directors may be by way of monthly remuneration and/or Performance Bonus/Incentive and/or participation in profits or by any or all of those modes, or of any other mode not expressly prohibited by the Act. The payment of overall managerial remuneration shall not exceed the maximum limits prescribed under the Act. In case of absence or inadequate profits, the payment of the managerial remuneration shall be subject to necessary statutory approvals.
- e) Subject to the provisions of the Act and in particular to the prohibitions and restrictions contained in Section 179 thereof, the Board may from time to time entrust to and confer upon the Managing Director or

Managing Directors for the time being such of the powers exercisable under these presents by the Directors as they may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think fit and they may confer such powers, either collaterally with or to the exclusion of, and in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

41. POWER AND DUTIES OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

Subject to the superintendence, control and direction of the Board, the day-to-day management of the Company shall be in the hands of the Managing Director(s)/ whole time director(s) / executive director(s)/ manager in the manner as deemed fit by the Board and subject to the applicable provisions of the Act, and these Articles, the Board may by resolution vest any such Managing Director(s)/ whole time director(s) / executive director(s)/ manager with such of the powers hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to the applicable provisions of the Act, and these Articles confer such power either collaterally with or to the exclusion of or in substitution for all or any of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

42. QUESTIONS AT THE BOARD MEETINGS HOW DECIDED

- (a) Questions arising at any meeting of the Board, other than as specified in these Articles and the Act, if any, shall be decided by a majority vote. In the case of an equality of votes, the Chairman shall have a second or casting vote.
- (b) No regulation made by the Company in General Meeting, shall invalidate any prior act of the Board, which would have been valid if that regulation had not been made.

43. POWERS OF THE BOARD

Subject to the applicable provisions of the Act, these Articles and other applicable provisions of Law: -

- a) The Board shall be entitled to exercise all such power and to do all such acts and things as the Company is authorised to exercise and do under the applicable provisions of the Act or by the memorandum and articles of association of the Company.

- b) The Board is vested with the entire management and control of the Company, including as regards any and all decisions and resolutions to be passed, for and on behalf of the Company.
- c) The Board of Directors of the Company shall exercise certain powers as mentioned in the Section 179 of the Act only by resolutions passed at the meeting of the Board any other matter which may be prescribed under the Act and Companies (Meetings of Board and its Powers) Rules, 2014 and the SEBI Listing Regulations.

44. COMMITTEES AND DELEGATION BY THE BOARD

- (a) The Company shall constitute such Committees as may be required under the Act, applicable provisions of Law and the SEBI Listing Regulations.
- (b) Subject to the applicable provisions of the Act, the requirements of Law and these Articles, the Board may delegate any of its powers to Committees of the Board consisting of such member or members of the Board as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes. Every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.
- (c) The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the last preceding Article.

45. ACTS OF BOARD OR COMMITTEE VALID NOTWITHSTANDING DEFECTS IN APPOINTMENT

All acts undertaken at any meeting of the Board or of a Committee of the Board, or by any person acting as a Director shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was

qualified to be a Director . Provided that nothing in this Article shall be deemed to give validity to the acts undertaken by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

46. CHARGE OF UNCALLED CAPITAL

Where any uncalled capital of the Company is charged as security or other security is created on such uncalled capital, the Directors may authorize, subject to the applicable provisions of the Act and these Articles, making calls on the Members in respect of such uncalled capital in trust for the person in whose favour such charge is executed.

47. SUBSEQUENT ASSIGNS OF UNCALLED CAPITAL

Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charges and shall not be entitled to obtain priority over such prior charge.

48. CHARGE IN FAVOUR OF DIRECTOR FOR INDEMNITY

If the Director or any person, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed, any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability.

49. KEY MANAGERIAL PERSONNEL

- a) The Company shall have the following whole time Key Managerial Personnel: (a) Managing Director, or Chief Executive Officer, or Manager, and in their absence a Whole-time director; (b) Company Secretary and (c) the Chief Financial Officer. Such individuals who shall be identified as whole time Key Managerial Personnel (whole time KMP). Every whole time KMP shall be appointed by means of a resolution of the Board containing the terms and conditions of the appointment including the remuneration. Any Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer so appointed may be removed by means of a resolution of the Board.
- b) A whole time KMP shall not hold office in more than one company except in its subsidiary company at the same time. Provided that nothing

contained herein shall disentitle a KMP from being a director of any company with the permission of the Board.

- c) If the office of any whole time KMP is vacated the resulting vacancy shall be filled up by the Board at the Meeting of the Board within a period of six months from the date of such vacancy.

50. THE COMPANY SECRETARY

Subject to the provisions of Section 203 of the Act, the Board may, from time to time, appoint any individual as Company Secretary of the Company to perform such functions, which by the Act or these Articles for the time being of the Company are to be performed by the Secretary and to execute any other duties which may from time to time be assigned to him by the Board. The Board may also at any time appoint some individual (who need not be the Company Secretary) to maintain the Registers required to be kept by the Company.

51. SEAL

- (a) The Board may provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal, if any, for the time being.
- (b) The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board, and except in the presence of at least one (1) Director or of the Company Secretary or such other person as the Board or Committee of the Board may appoint for the purpose; and those one (1) Director and the Company Secretary or other person aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.

52. BOOKS OF ACCOUNTS

- i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of Members not being Directors as per the provisions of the Act.
- ii) No member (not being a Director) shall have any right of inspecting any accounts or books or documents of the Company except as conferred by law or authorised by the Board or by the Company in General Meeting.

53. SHAREHOLDERS TO NOTIFY ADDRESS IN INDIA

Each registered Shareholder from time to time shall notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

54. SERVICE ON MEMBERS HAVING NO REGISTERED ADDRESS

If a Members who does not have registered address in India, has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighbourhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.

55. SERVICE ON PERSONS ACQUIRING SHARES ON DEATH OR INSOLVENCY OF MEMBERS

A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a Members by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased, assignees of the insolvent by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.

56. NOTICE BY ADVERTISEMENT

Subject to the applicable provisions of the Act, any document required to be served or sent by the Company on or to the Members, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Office is situated.

57. DIVIDEND AND RESERVE

- (a) The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
- (b) Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
- (c) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve

or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.

- (d) The Board may also carry forward any profits which it may consider necessary not to distribute, without setting them aside as a reserve.
- (e) (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
- (f) The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
- (g) (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

- (h) Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
- (i) Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
- (j) No dividend shall bear interest against the company.
- (k) Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the Company in that behalf in any scheduled bank, as unpaid dividend account.
- (l) Any money transferred to the unpaid dividend account of a Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Fund known as Investor Education and Protection Fund established under section 125 of the Act and the Company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said fund and that authority shall issue a receipt to the Company as evidence of such transfer.
- (m) All shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more shall be transferred by the Company in the name of the Investors Education and Protection Fund subject to the provisions of the Act and rules.
- (n) No unclaimed or unpaid dividend shall be forfeited by the Board.

58. CAPITALISATION OF PROFITS

Subject to the provisions of Section 63 of the Act and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended, the Company in its General Meeting may resolve to issue the bonus shares to its Members and capitalize its profit or free reserves for the purpose of issuing fully paid up bonus shares.

59. WINDING UP

Subject to the applicable provisions of the Act and the rules made thereunder—

(a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

60. DIRECTOR'S AND OTHER'S RIGHTS TO INDEMNITY

Subject to the provisions of Section 197 of the Act, every Director, Manager and other officer or employee of the Company shall be indemnified by the Company against any liability incurred by him and the company shall pay out its funds all costs, losses and expenses which any director, Manager, officer or employee may incur or become liable to by reason of any contract entered into by him on behalf of the Company or in any way in the discharge of his duties and in particular, and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, Manager, Officer or employee in defending any proceedings Whether civil or criminal in which judgement is given in his favour or he is acquitted or in connection with any application under Section 463 of the Act in which relief is granted by the court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the shareholders over all the claims.

61. DIRECTOR'S ETC. NOT LIABLE FOR CERTAIN ACTS

Subject to the provision of Section 197 of the Act, no Director, Manager, Officer or Employee of the Company shall be liable for the acts, defaults, receipts and neglects of any other Director, Manager, Officer or employee or for joining in any receipts or other acts for the sake of conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any monies, securities or effects shall be deposited or for any loss occasioned by an error of judgement or oversight on his part, or for any other loss, damage or misfortune whatsoever which shall happen in the execution thereof unless the same shall happen through negligence, default, misfeasance, breach of duty

or breach of trust. Without prejudice to the generality of the foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with the Registrar of Companies in respect of any act done or required to be done by any Director or other officer by reason of his holding the said office shall be paid and borne by the Company.

62. INSPECTION BY MEMBERS

The register of charges, register of investments, register of members, books of accounts and the minutes of the meeting of the members shall be kept at the office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each Business Day as the board determines for inspection of any shareholder without charge. In the event such shareholder conducting inspection of the abovementioned documents requires extracts of the same, the Company may charge a fee which shall not exceed Rupees ten per page or such other limit as may be prescribed under the Act or other applicable provisions of law.

63. AMENDMENT TO ARTICLES OF ASSOCIATION

- (a) The Members shall not pass any resolution or take any decision which is contrary to any of the terms of these Articles.
- (b) The Company, may from time to time alter, add to amend or delete any of the existing Articles or may add a new Article thereto or adopt a new set in accordance with the provisions of the Act.

64. SECRECY

- a) No shareholder shall be entitled to inspect the Company's work without permission of the managing Director/Directors or to require discovery of any information respectively any details of Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the Managing Director/Directors will be inexpedient in the interest of the shareholders of the Company to communicate to the public.
- b) Every Director, Managing Director (s), manager, Secretary, Auditor, Trustee, members of the committee, officer, servant, agent, accountant or other persons employed in the business of the Company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the Company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are

required so to do by the Directors or the Auditors, or by resolution of the Company in the general meeting or by a court of law and except so far as may be necessary in order to comply with any of the provision of these Articles or Law.

65. GENERAL POWER

Wherever in the Companies Act, it has been provided that the Company shall have right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorised by its articles, then and in that case this regulation hereto authorises and empowers the Company to have such rights, privilege or authority and to carry such transactions as have been permitted by the Act, without there being any specific regulation in that behalf herein provided.

We, the several persons whose names and addresses are subscribed are desirous of being formed into a company in pursuance of these Articles of Association and we respectively agree to take the number of Shares in the Capital of the Company set opposite to our respective names.

Signature, Names, Address, Descriptions and Occupation of Subscribers	Number of the Shares taken by each Subscriber	Signature, names, addresses, descriptions & and Occupation of witnesses.
1. Sd/- Ramanlal A. Mehta S/o. Ambalal C. Mehta 4, Bombay Pune Road, Kirkee, Pune – 411003. Business	10 (Ten) Equity	
2. Sd/- Satish R. Mehta. S/o. Ramanlal A. Mehta Address As above Business	10 (Ten) Equity	
	----- Total 20 (twenty) Equity -----	Sd/ Hemant Manohar Joshi S/o. Dr. Manohar K. Joshi I 189/90 Sadashiv Peth Poona – 411 030 Business

Dated this 18th day of March, 1981.

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY PETITION NO. 990 OF 1998
CONNECTED WITH**

COMPANY APPLICATION NO.589 OF 1998

In the matter of Companies Act, 1956

AND

And in the Scheme of Amalgamation of Lasor Drugs

Limited and Emcure Pharmaceuticals Limited

AND

In the matter of Emcure Pharmaceuticals Limited a
Company registered under the Companies Act, 1956
and having its registered office at R. B. Estate,
Dapodi, Pune 411 012.

Emcure Pharmaceuticals Limited
a Company registered
under the Companies Act, 1956
and having its registered office
at R. B. Estate, Dapodi,
Pune 411 012.

Petitioners

CORAM : S. S. Nijjar J.

DATE : 22nd April 1999

Upon the Petition of Emcure Pharmaceuticals Limited, the Petitioner above named, presented to this Hon'ble Court on the 16th day of November 1998 for sanction of the Scheme of Amalgamation of Lasor Drugs Limited (hereinafter referred to as the "Transferor Company") and Emcure Pharmaceuticals Limited (hereinafter referred to as the "Petitioner Company" or "Transferee Company") and for other consequential reliefs as mentioned in Petition AND the said Petition being this day called on for hearing and final disposal AND UPON READING the Petition and the Affidavit of Anil Anant Tikekar, the Company Secretary of the Petitioner Company dated 16th day of November 1998 verifying the said Petition AND UPON READING

the Affidavit of Anil Anant Tikekar dated the 8th day of February, 1999 proving publication of the notice of the date of hearing of the Petition in the issue of "Maharashtra Herald" dated 19th December 1998, "Prabhat" dated 19th December, 1998 and Maharashtra Government Gazette dated 24th day of December 1998 AND UPON READING the Affidavit of Anil Anant Tikekar dated 8th day of February 1999 proving service of notices under certificate of posting upon the individual unsecured creditors whose value exceeds Rs. 1,00,000/-, pursuant to the Order dated 10th December 1998 and amended by the order dated 30th January, 1999 AND UPON READING the Affidavit of Mr. Bhiku Bargode dated 3rd day of February 1999 proving service of notice of hearing of the Petition upon the Regional Director, Department of Company Affairs, Maharashtra, Mumbai AND UPON READING the Order dated 16th day October, 1998 made by this Hon'ble Court in Company Application No. 589 of 1998 whereby the holding of the meeting of its equity share holders and secured creditors of the Petitioner Company for the purpose of considering and if thought fit, approving with or without modifications the proposed Scheme of Amalgamation of the Transferor Company with the Transferee Company were dispensed with in view of the consent in writing given by all the equity shareholders annexed at Exhibit „D“ and the sole secured creditor at Exhibit „F“ to the affidavit in support of the said Company Application No.589 of 1998 and meeting of unsecured creditors was dispensed with in view of the undertaking given by the Petitioner Company to give notice of hearing of the Petition to individual unsecured creditors or substantial number of unsecured creditors of the value in excess of Rs. 1,00,000/- AND UPON HEARING Shri Rishabh Shah, Counsel instructed by M/s. Udwadia, Udeshi, & Berjis Advocates for the Petitioner Company and Shri H. K. Vardhan, Panel Counsel for Regional Director, Department of Company Affairs, Maharashtra, Mumbai who submits to the Order of the Court And no other person or persons entitled to appear at the hearing of the said Petition appearing this day either in support of the said Petition or to show cause against the said Petition THIS COURT DOTH HEREBY SANCTION the Scheme of Amalgamation of Lasor Drugs Limited, the Transferor Company with Emcure Pharmaceuticals Limited, the Transferee Company as set forth in Exhibit "E" to the said Petition and also in the Schedule hereto annexed AND THIS COURT DOTH HEREBY DECLARE the same to be binding on the Petitioner Company and its equity shareholders AND THIS COURT DOTH ORDER that with effect from 1st day of April, 1998 (hereinafter referred to as "the Appointed Date") the whole business, undertaking and property of the Transferor Company specified in the Scheme of Amalgamation being Exhibit "E" to the Petition and also in the Schedule hereto shall without further act or deed be transferred to and vested in or deemed to be transferred to and vested in the Transferee Company pursuant to Section 394 (2) of the Companies Act, 1956 so as to become the property of the Transferee Company AND THIS COURT DOTH FURTHER ORDER THAT with effect from the Appointed Date all the debts, liabilities, duties and obligations of Lasor Drugs Limited, the Transferor Company be transferred without further act or deed to the Transferee Company and accordingly, the same shall pursuant to Section 394 (2) to the Companies Act, 1956 be transferred to the Transferee Company so as to become debts, liabilities, duties and obligations of the Transferee Company AND THIS COURT DOTH FURTHER ORDER THAT all the proceedings pending by or against the Transferor Company shall be continued by or against the Transferee Company AND THIS COURT DOTH FURTHER

ORDER THAT in consideration of the transfer of the assets and liabilities of the Transferor Company to the Transferee Company, the Transferee Company shall without any further act, application and deed, issue and allot 16 (sixteen) equity shares of the Transferee Company of the face value of Rs.10/- each, credited as fully paid-up, to the shareholders of the Transferor Company whose name is recorded in its register of members on a date (“Record Date”) to be fixed by the Board of Directors of the Transferee Company for every 100 (one hundred) Equity Shares of the face value of Rs.10/-each held by such shareholder in the Transferor Company AND THIS COURT DOTH FURTHER ORDER that the Petitioner Company do within 30 days from the date of sealing of this order cause a certified copy of the order to be delivered to the Registrar of Companies, Maharashtra, Pune for registration and on such certified copy of order being so delivered the Transferor Company shall stand dissolved without winding up and the Registrar of Companies, Maharashtra, Pune shall place all the documents relating to the Transferor Company and registered with him on the file kept by him in relation to the Transferee Company, and the files relating to the Transferor Company and the Transferee Company shall be consolidated accordingly AND THIS COURT DOTH FURTHER ORDER that the parties to the arrangement embodied in the Scheme of Amalgamation sanctioned herein or any other person or persons interested therein shall be at liberty to apply to this Hon’ble Court for any direction that may be necessary with regard to the working of the arrangement embodied in the Scheme of Amalgamation sanctioned herein and set forth in the Schedule hereto AND THIS COURT DOTH LASTLY ORDER that the Petitioner Company do pay a sum of Rs.1000/- (Rupees one thousand only) to the Regional Director, Department of Company Affairs Maharashtra, Mumbai, towards the costs of the Petition Witness SHRI YOGESH KUMAR SABHARWAL, Chief Justice at Bombay aforesaid this 22nd day of April 1999.

BY THE COURT

Sd/-

FOR PROTHONOTARY & SENIOR MASTER.

SEAL

Sd/-

This 18th Day of May, 1999

Order sanctioning the Scheme of
amalgamation drawn on the application
of M/s.Udwadia,Udeshi,& Berjis
Advocates for the Petitioners
having their office at Thomas Cook Building,
3rd Floor, 324, D. N. Road, Fort,
Mumbai 400 001.

SCHEDULE
SCHEME OF AMALGAMATION OF
LASOR DRUGS LIMITED
WITH
EMCURE PHARMACEUTICALS LIMITED

DEFINITIONS:

In this Scheme, unless inconsistent with the subject or context :

- (a) “The Transferor Company” means LASOR DRUGS LIMITED (LDL), a Company incorporated under the Companies Act, 1956, having its Registered Office at R.B. Estate, Dapodi, Pune - 411 012, in the State of Maharashtra.
- (b) “The Transferee Company” means EMCURE PHARMACEUTICALS LIMITED (EMCURE), a Company incorporated under the Companies Act, 1956, having its Registered Office at R.B. Estate, Dapodi, Pune - 411 012, in the State of Maharashtra.
- (c) “The Act” means the Companies Act, 1956.
- (d) “The Appointed Date” means 1st April, 1998.
- (e) “The Effective Date” means the date on which certified copies of the Orders of the Mumbai High Court sanctioning the Scheme of Amalgamation are filed with the Registrar of Companies, Maharashtra, Mumbai or Pune as the case may be.
- (f) “The Scheme” means the Scheme of Amalgamation of LDL with EMCURE, as contained herein, or as sanctioned by the Mumbai High Court, with modifications, if any.
- (g) For the purpose of this Scheme, the undertaking of the Transferor Company shall include all assets, capital work-in-progress, current assets, investments, rights and privileges, powers and authorities, and all properties, movable and immovable, real or corporeal, incorporeal in possession or reversion, present or contingent, of whatsoever nature and wheresoever situated including in particular all licenses, registration, permits, quotas, incentives, subsidies, approvals, rights, claims, leases, tenancy rights, and liberties, patents, trade marks, industrial and intellectual property rights of any nature whatsoever and import quotas held by the Transferor Company or to which the Transferor Company is entitled, contracts, rights, title, interest, benefits and advantages of whatsoever nature and all other interests 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 or arising to the Transferor Company (“the assets”) and all debts, liabilities and duties of the Transferor Company and all other obligations of whatsoever kind (“the liabilities”).

SHARE CAPITAL :

- (a) On March 31st, 1998, the Authorised Share Capital of the Transferor Company was Rs. 35,000,000 divided into 3,500,000 equity shares of Rs. 10/- each. The Issued, Subscribed and Paid-up Share Capital was Rs. 5,000,000 divided into 5,00,000 equity shares of Rs. 10/- each.
- (b) On March 31st, 1998, the Authorised Share Capital of the Transferee Company was Rs. 35,000,000 divided into 3,500,000 equity shares of Rs. 10/- each. The Issued, Subscribed and Paid-up Capital of the Transferee Company was Rs. 15,000,000 divided into 1,500,000 equity shares of Rs. 10/- each.

THE SCHEME :

- 1.
 - (a) The assets in respect of the Undertaking of the Transferor Company and particularly the immovable property incapable of passing by delivery including licences, permits, quotas, incentives, subsidies, approvals, rights, claims, leases, tenancy rights, liberties, patents, trade marks and import quotas shall under the provisions of Sections 391 and 394 of the Act and pursuant to the Orders of Mumbai High Court without any further act or deed but subject to the charges affecting the same as on the Effective Date, shall be transferred to and vested in the Transferee Company so as to become the Undertaking and property of the Transferee Company from the Appointed Date. Provided, however, that such charge shall not extend over or be deemed to be extended over any of the assets of the Transferee Company already owned and held by the Transferee Company. It is expressly provided that in respect of such of the said assets as are movable in nature or are otherwise capable of transfer by physical delivery, the same shall be so transferred by the Transferor Company and shall become the property of the Transferee Company pursuant to the provisions of Section 394 of the said Act.
 - (b) With effect from the Appointed Date, all the liabilities of the Transferor Company shall, pursuant to the Order under Section 394 of the Companies Act, 1956, of Mumbai High Court and without further act or deed be transferred or deemed to be transferred to and vested in and assumed by the Transferee Company so as to become the liabilities, of the Transferee Company.
 - (c) Upon the Scheme becoming effective, the items appearing as Reserves and Surplus in the books of the Transferor Company as at the Appointed Date shall become the corresponding Reserves and Surplus of the Transferee Company.
- 2. If any suit, appeal, or other proceedings of whatever nature hereinafter called

“the proceedings”) by or against the Transferor Company be pending as on the Effective Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the undertaking of the Transferor Company or anything contained in the Scheme, but the proceedings shall be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted or enforced by or against the Transferor Company, if the Scheme had not been made.

3. The transfer of Undertaking under Clause (1) hereof and the continuance of the proceedings by or against the Transferee Company under Clause 2 hereof, shall not affect any transactions or proceedings already concluded by the Transferor Company, in the ordinary course of business on or after the Appointed Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done lawfully and executed by the Transferor Company in regard thereto as having been done or executed on behalf of the Transferee Company.
4. As from the Appointed Date, the Transferor Company shall carry on and be deemed to have carried on its business for and on behalf of and on account of and in trust for the Transferee Company until such time that the amalgamation becomes effective in terms of the Scheme. The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends to their respective shareholders until the date on which the Mumbai High Court sanctions this Scheme.
5. As from the Appointed Date, the Transferor Company shall carry on the business of the Transferor Company until the amalgamation becomes effective, with utmost prudence and shall not without concurrence of the Transferee Company, alienate, charge or otherwise deal with the property or assets of the Transferor Company or any part thereof, except in the ordinary course of business.
6. With effect from the Appointed Date and upto and inclusive of the Effective Date, all the profits and incomes accruing or arising to the Transferor Company or expenditure and losses incurred or arising as the case may be by the Transferor Company shall, for all purposes, be treated and be deemed to be the profits or income or expenditures or losses, as the case may be, of the Transferee Company.
7. Subject to the other provisions contained in the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatever nature to which the Transferor Company is a party subsisting or having effect immediately before the amalgamation, shall be in full force and effect against or in favour of the Transferee Company and may be enforced by or against the Transferee Company as fully and effectively as if instead of the Transferor Company, the Transferee Company had been a party thereto. The Transferee Company shall enter into and/or issue and/or execute deeds writings or confirmation or enter into any tripartite arrangement, confirmation or novations to

which the Transferor Company will, if necessary, also be a party in order to give formal effect to the provisions of this Clause, if so required or if it becomes necessary.

8. (a) Upon the Scheme becoming effective, in consideration of the transfer to and vesting of the undertaking of the Transferor Company in terms of the Scheme, the Transferee Company shall, without any application being made by the shareholders of the Transferor Company, issue and allot to the equity shareholders of the Transferor Company whose name is shown in the Transferor Company's Register of Members, on a date to be fixed by the Board of the Transferee Company, equity shares in the Transferee Company in the proportion of 16 (sixteen) equity shares of the face value of Rs. 10/- each of the Transferee Company, credited as fully paid up, for every 100 (one hundred) fully paid up equity shares of the face value of Rs. 10/- each held by the equity shareholders of the Transferor Company on such date.
- (b) The equity shares so allotted by the Transferee Company to the equity shareholders of the Transferor Company shall be subject to the Memorandum and Articles of Association of the Transferee Company and shall in all respects including for dividend, rank pari passu with the existing equity shares of the Transferee Company.
- (c) Every shareholder of the Transferor Company shall surrender to the Transferee Company for cancellation the relevant share certificates held in the Transferor Company and thereupon the Transferee Company shall issue the Certificate for the shares in the Transferee Company, he or she may be entitled to.
- (d) If any equity shareholder of the Transferor Company becomes entitled to any fraction of equity share of the Transferee Company, no such fractional coupon/s shall be issued in respect of or representing such equity share of the Transferee Company but such fractional coupon/s shall be consolidated into whole equity shares and the Board of Directors of the Transferee Company or a Committee thereof may allot any one or more of such consolidated shares to any nominee(s) as the Board of Directors or the Committee may in its absolute discretion deem fit for the purpose of holding and selling of such consolidated equity shares.

Every such sale of the consolidated equity shares shall be at such price or prices as may be approved by the Board of Directors or the Committee and upon receipt of the purchase price in respect of such sale (provided the Board of Directors or the Committee approved the purchaser) the Board or the Committee shall allot the equity shares to the approved purchaser/s. The total net sale proceeds of such consolidated equity shares shall be distributed and divided among those equity shareholders of the Transferor Company as would otherwise have been entitled to such fractions of the equity shares of the Transferee Company in proportion to their respective interest in such fractions.

9. The Transferor Company has no employees in its employment.
10. Upon the Scheme being sanctioned by the Mumbai High Court as aforesaid, the Transferor Company shall stand dissolved without winding up as on the Effective Date.
11. The Scheme is conditional upon and subject to :
 - (a) the Scheme being agreed to by the respective requisite majorities of the members of both the Companies and the requisite Order or Orders being obtained;
 - (b) such other sanction and approvals as may be required by law in respect of the Scheme being obtained;
 - (c) the requisite resolutions under section 81(1A) and other applicable provisions of the said Act being passed by the shareholders of the Transferee Company, for any of the matters provided for or relating to the Scheme as may be required or be necessary ;
12. In the event of any of the approvals or conditions required to be obtained or fulfilled are not obtained or complied with on or before 31st March 1999, or within such further period or periods as may be agreed upon by and between the Transferor Company and the Transferee Company (through their respective Board of Directors) the Scheme shall become null and void and in that event no rights or liabilities whatsoever shall accrue to or be incurred inter se between the Transferor Company and the Transferee Company.
13. All costs, charges and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with the negotiation leading up to the Scheme or carrying out and completing the terms and provisions of the Scheme and/or incidental to the completion of the amalgamation of the Transferor Company in pursuance of the Scheme shall be borne and paid by the Transferee Company.
14. For the purposes of giving effect to the Scheme, the Board of Directors of the Transferee Company or any Committee thereof is authorised to give such directions as may be necessary or desirable and to settle as they may deem fit any question, doubt or difficulty that may arise in connection with or in the working of the Scheme including with regard to issue and allotment of equity shares under Clause 9 hereof, to the members of the Transferor Company and to do all acts, deeds, and things necessary for carrying into effect the Scheme.

15. A copy of the Order of the Mumbai High Court sanctioning the Scheme shall be filed by the Transferor Company and the Transferee Company with the Registrar of Companies, Maharashtra, Mumbai or Pune as the case may be, within one month from the date a certified true copy of the Order is received by the Transferor Company and the Transferee Company or within such other period as may be directed by the Mumbai High Court.

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY PETITION NO. 1087 OF 2000
IN**

COMPANY APPLICATION NO.652 OF 2000

In the matter of Companies Act, 1956;

AND

In the matter of Section 391 to 394 of the Companies

Act, 1956;

AND

In the matter of Emcure Pharmaceuticals Limited

AND

In the matter of Scheme of Amalgamation of

Emcure Laboratories Private Ltd., Lasor Laboratories
Limited, Lasor Remedies Limited, Nucron
Pharmaceuticals Limited and Hiraral Mehta Sales
Pvt. Ltd. with Emcure Pharmaceuticals Ltd.

Emcure Pharmaceuticals Limited,
a Company incorporated under
the provisions of the Companies Act, 1956
having its Registered office
at R. B. Estate, Dapodi, Pune 411 012.

Petitioner

Coram : Dr. D.Y. Chandrachud J.

Date : 7th March, 2001

Upon the Petition of Emcure Pharmaceuticals Limited, the Petitioner Company abovenamed declared on the 17th day of November, 2000 and presented to this Hon'ble Court on the 18th day of November, 2000 for sanction of the arrangement embodied in the Scheme of Amalgamation of Emcure Laboratories Private Limited (hereinafter referred to as the "ELPL"), Lasor Laboratories Limited (hereinafter referred to as "LLL"), Lasor Remedies Limited (hereinafter referred to as "LRL"), Nucron Pharmaceuticals Limited (hereinafter referred to as "NPL") and Hiralal Mehta Sales Private Limited (hereinafter referred to as "HMS") (and all the five Companies i.e. ELPL, LLL, LRL, NPL and HMS together referred to as "the Transferor Companies also) with Emcure Pharmaceuticals Limited (hereinafter referred to as the "Petitioner Company" or "EPL") and for other consequential reliefs as mentioned in Petition AND the Petition being this day called on for hearing and final disposal AND UPON READING THE Petition and the Affidavit dated 17th November, 2000 of Mr. Avinash K. Medhekar, the Constituted Attorney of the Petitioner Company verifying the Petition AND UPON READING the Affidavit of Mr. Shaukat H. Merchant , Advocate & Solicitor for the Petitioner Company dated 4th December, 2000 proving publication of the Notices of the hearing of the Petition pursuant to the Order dated 22nd day of November, 2000 in the issues of Indian Express and Loksatta both dated 30th day of November, 2000 AND UPON READING the Affidavit of Mr. Bhalchandra G. Sawant, Managing Clerk in the office of the Advocates for the Petitioner Company dated 27th November, 2000 proving service of Notice of hearing of the Petition along with a copy of the Petition upon the Regional Director, Department of Company Affairs, Maharashtra, Mumbai AND UPON READING the Additional Affidavit of Mr. Sanjay R. Mehta, Constituted Attorney of Petitioner Company dated 6th November, 2000 annexing therewith consent of the Shareholders and the Unsecured Creditors to the Scheme of Amalgamation AND UPON READING the Order dated 15th November, 2000 made by this Hon'ble Court in Company Application No. 652 of 2000 (i) whereby the meeting of its shareholders of the Petitioner Company for the purpose of considering and approving the Scheme of Amalgamation of the Transferor Companies with the Petitioner Company was dispensed with in view of the consent in writing given by shareholders which are annexed as Exh.1 to the additional Affidavit of Mr. Sanjay R. Mehta dated 6th day of November, 2000 read with averments made in para 37 of the Affidavit in support of the Company Application No. 652 of 2000 and (ii) meetings of the secured and/or unsecured creditors of the Petitioner Company for the purpose of considering and approving the Scheme of Amalgamation of the Transferor Companies with the Petitioner Company was also dispensed with in view of the consent in writing given by the secured and unsecured creditors of the Petitioner Company which are annexed as Exh. 2 & 3 respectively to the additional Affidavit of Mr. Sanjay R. Mehta dated 6th day of November, 2000 read with averments made in para 41 of the Affidavit in support of the Company Application No. 652 of 2000 AND UPON HEARING Shri S.H. Merchant with Ms. Kusum Joshi, Advocate, instructed by M & M Legal Venture, Advocates for the Petitioner Company and Shri C.J. Joy Panel Counsel instructed by Shri. R.P. Singh, Company Prosecutor for the Regional Director, Department of Company Affairs, Maharashtra, Mumbai who submits to the Orders of the Court AND no other person or persons entitled to appear at the hearing of the Petition

appearing this day either in support of the Petition or to show cause against the same THIS COURT DOTH HEREBY SANCTION the arrangement embodied in the Scheme of Amalgamation of Emcure Laboratories Private Limited, Lasor Laboratories Limited, Lasor Remedies Limited, Nucron Pharmaceuticals Limited and Hiralal Mehta Sales Private Limited, the Transferor Companies with Emcure Pharmaceuticals Limited, the Transferee Company, (Petitioner Company) as set out in Exhibit "A" to the Petition and also in the Schedule hereto AND THIS COURT DOTH HEREBY DECLARE that the Scheme of Amalgamation sanctioned herein shall be binding with effect from the Appointed Date on the Petitioner Company and on all the shareholders of the Petitioner Company and also on each of the five Transferor Companies AND THIS COURT DOTH FURTHER ORDER that with effect from 1st day of April, 2000 (hereinafter referred to as "the Appointed Date") the undertakings of all the Transferor Companies Viz. ELPL, LLL, LRL, NPL and HMS as defined in the Scheme of Amalgamation sanctioned herein shall under the provisions of Section 394 and other applicable provisions of the Companies Act, 1956 ("the Act") stand transferred to and vest in or be deemed to be transferred to and vested in the Petitioner Company without any further act, deed, matter or thing (save as provided hereunder) so as to become the property or liabilities of the Petitioner Company ; but subject to all charges affecting the same Provided Always that the Scheme of Amalgamation shall not operate to enlarge the security for any loan, deposit or facility availed of by the Petitioner Company and the Petitioner Company shall not be obliged to create any further or additional security therefore after the Effective Date as defined in the Scheme of Amalgamation or otherwise AND THIS COURT DOTH FURTHER ORDER that with effect from the Appointed Date all the moveable assets of the Transferor Companies shall be physically handed over by manual delivery to the Petitioner Company to the end and intent that the ownership and property therein passes to the Petitioner Company on such handing over, and the amounts lying with the Banks to the Credit of all the Transferor Companies as of the Appointed Date shall also be transferred to the Petitioner Company and such delivery and transfer shall be made on a date to be mutually agreed upon between the respective Board of Directors of the Petitioner Company and Transferor Companies AND THIS COURT DOTH FURTHER ORDER that on and from the Appointed Date and subject to any corrections and adjustments as may, in the opinion of the Board of Directors of the Petitioner Company be required, the reserves and the balance in the Profit and Loss Account of all the Transferor Companies shall be merged with those of the Petitioner Company in the same form as they appear in the financial statements of the Transferor Companies AND THIS COURT DOTH FURTHER ORDER that the difference between the amount recorded as fresh share capital issued by the Petitioner Company on amalgamation and the amount of share capital of all the Transferor Companies shall be reflected in the reserves of the Petitioner Company AND THIS COURT DOTH FURTHER ORDER that with effect from the Appointed Date, all debts, liabilities, duties and obligations of all the Transferor Companies shall pursuant to the Order of the High Court at Bombay under Section 394 and other applicable provisions of the Act, be also transferred or deemed to be transferred to and vest in and be assumed by the Petitioner Company without any further act or deed so as to become as from the Appointed Date the debts, liabilities, duties and obligations of the Petitioner Company on the same terms and conditions as were applicable to all the Transferor Companies AND THIS COURT DOTH FUTHER ORDER that all the suits, appeals or other proceedings of whatsoever

nature [hereinafter referred to as “the proceedings”] by or against all the Transferor Companies pending on or after the Appointed Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking and shall pursuant to the Orders passed by this Hon’ble Court under section 394 of the Act, be continued substituted and enforced by or against the Petitioner Company in the same manner and to the same extent as would or might have been continued, prosecuted and enforced by or against all the Transferor Companies as if the Scheme had not been made AND THIS COURT DOTH FURTHER ORDER that with effect from the Effective Date as defined in the Scheme of Amalgamation all, permanent employees of all the Transferor Companies immediately preceding the Effective Date as defined in the Scheme of Amalgamation shall become the permanent employees of the Petitioner Company on and from the Effective Date on the basis that their services be deemed to have been continuous and not have been interrupted by reason of the transfer of the Undertaking and the terms and conditions of service applicable to such employees after such transfer shall be not in any way less favourable than those applicable to them immediately preceding the said transfer AND THIS COURT DOTH FURTHER ORDER that as far as the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund created or existing for the benefit of such permanent employees of all the Transferor Companies are concerned, on and from the Effective Date, the Petitioner Company shall stand substituted for all the Transferor Companies as the case may be, for all purposes whatsoever in relation to the obligation to make contributions to such Funds in accordance with the provisions of such Funds according to the terms provided in the respective Trust Deeds AND THIS COURT DOTH FURTHER ORDER that upon the said Scheme becoming finally effective, in consideration of the transfer and vesting of the Undertakings of all the Transferor Companies in the Petitioner Company in terms of the said Scheme, the Petitioner Company do, without further application, act or deed issue and allot equity shares of Rs. 10/- each credited as fully paid up in the capital of the Petitioner Company to every equity shareholder of each of the Transferor Companies whose name appears in the Register of Member on a date (Record Date) to be fixed by the Board of Directors of the Petitioner Company in the following proportion :

- [a] For every 100 (One Hundred) Equity Shares of Rs. 10/- (Rupees Ten only) each of Nucron Pharmaceuticals Limited - 25 (Twenty Five) Equity Shares of Rs. 10/- (Rupees Ten only) each of Emcure Pharmaceuticals Limited (Transferee Company);
- [b] For every 100 (One Hundred) Equity Shares of Rs. 10/- (Rupees ten only) each of Lasor Laboratories Limited - 45 (Forty Five) Equity Shares of Rs. 10/- (Rupees Ten only) each of Emcure Pharmaceuticals Limited (Transferee Company);
- [c] For every 100 (One Hundred) Equity Shares of Rs. 100/- (Rupees Hundred only) each of Lasor Remedies Limited , 500 (Five Hundred and Fifty) Equity Shares of Rs. 10/- (Rupees Ten only) each of Emcure Pharmaceuticals Limited (Transferee Company);
- [d] For every 100 (One Hundred) Equity Shares of Rs. 100/- (Rupees Hundred only) each of Emcure Laboratories Private Limited , 1000 (One Thousand) Equity Shares of Rs. 10/-

(Rupees Ten only) each of Emcure Pharmaceuticals Limited (Transferee Company);

- [e] For every 100 (One Hundred) Equity Shares of Rs. 100/- (Rupees One Hundred) each of Hiralal Mehta Sales Private Limited, 150 (One Hundred Fifty) Equity Shares of Rs. 10/- each of Emcure Pharmaceuticals Limited (Transferee Company)

AND THIS COURT DOTH FURTHER ORDER that since all sanctions or approvals referred to in sub clauses (a) to (e) of clause 1.1 of Part III of the Scheme of Amalgamation sanctioned herein are required to be obtained the Petitioner Company shall within 30 (thirty) days from the date of sealing of this Order deliver a certified copy of this Order to the Registrar of Companies, Maharashtra, Pune, for Registration and that upon such delivery all the Transferor Companies shall stand dissolved without winding up and the Registrar of Companies, Maharashtra, Pune, shall thereupon place all documents relating to all the Transferor Companies and registered with him on the files kept by him in relation to the Petitioner Company, and consolidate the files of both the Transferor Companies and the Petitioner Company accordingly AND THIS COURT DOTH FURTHER ORDER that parties to the arrangement embodied in the Scheme of Amalgamation sanctioned herein or any other person or persons interested therein shall be at liberty to apply to this Hon'ble Court for any direction that may be necessary in regard to the working of the arrangement embodied in the Scheme of Amalgamation sanctioned herein and set forth in the Schedule hereto AND THIS COURT DOTH LASTLY ORDER that the Petitioner Company do pay a sum of Rs.1500/- (Rupees One Thousand Five Hundred only) to the Regional Director, Department of Company Affairs, Maharashtra, Mumbai, towards the costs of the Petition WITNESS SHRI BISHESHWAR PRASAD SINGH, the Chief Justice at Bombay aforesaid this 7th day of March, 2001.

By The Court,

Sd/-

For Prothonotary & Senior Master.

SEAL

Sd/-

This 11th day of May, 2001

Order sanctioning the Scheme of Amalgamation drawn on the application by M & M Legal Venture, Advocates for the Petitioners, having their office at Law House, 1st Floor, 8, Pitha Street, Off. P.M. Road, Fort, Mumbai - 400 001.

SCHEDULE

SCHEME OF AMALGAMATION

SCHEME OF AMALGAMATION OF EMCURE LABORATORIES PRIVATE LIMITED, LASOR LABORATORIES LIMITED, LASOR REMEDIES LIMITED, NUCRON PHARMACEUTICALS LIMITED AND HIRALAL MEHTA SALES PRIVATE LIMITED WITH EMCURE PHARMACEUTICALS LIMITED UNDER SECTION 391 READ WITH SECTION 394 OF THE COMPANIES ACT, 1956 AND THEIR RESPECTIVE SHAREHOLDERS.

PART I - PRELIMINARY

1. DEFINITIONS

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

- 1.1 “the Act” means the Companies Act, 1956 or any statutory modification or re-enactment thereof for the time being in force.
- 1.2 “the Appointed Date” means 01.04.2000 or such other date as may be fixed by the High Court at Mumbai.
- 1.3 “the Effective Date” means the last of the dates on which the sanctions and approvals and the Orders sanctioning the Scheme referred to in Clause 1 of Part IV of the Scheme are obtained.
- 1.4 “the Scheme” means this Scheme of Amalgamation.
- 1.5 “the Transferor Companies” mean Emcure Laboratories Private Limited, a Company incorporated under the Companies Act, 1956 and having its Registered office at T-172, M.I.D.C., Bhosari, Pune – 411 026[ELPL],

Lasor Laboratories Limited, a Company incorporated under the Companies Act, 1956 and having its Registered office at C-10(12), Functional Electronic Estate, Bhosari, Pune – 411 026 [LLL],

Lasor Remedies Limited, a Company incorporated under the Companies Act, 1956 and having its Registered office at S-25/D-6, T-Block, M.I.D.C., Bhosari, Pune – 411 026 [LRL],

Nucron Pharmaceuticals Limited, a Company incorporated under the Companies

Act, 1956 and having its Registered office at C-7-8(2), M.I.D.C., Bhosari, Pune – 411 026 [NPL] and

Hiralal Mehta Sales Private Limited, a company incorporated under the Companies Act, 1956 and having its Registered office at R.B.Estate, Dapodi, Pune 411 012 [HMS]

1.6 “the Transferee Company” means Emcure Pharmaceuticals Limited [EPL], a company incorporated under the Companies Act, 1956 and having its Registered office at R. B. Estate, Dapodi, Pune – 411 012.

1.7 “Undertaking” means :

[a] all the assets and properties of each of the Transferor Companies as on the Appointed Date;

[b] all the debts, liabilities, duties and obligations of each of the Transferor Companies as on the Appointed Date; and includes all the reserves, movable and immovable properties and assets of each of the Transferor Companies including their leasehold rights, tenancy rights, industrial and other licenses, permits, authorisations, quota rights, trade marks, patents and other industrial and intellectual property rights, import quotas, telephones, telex, facsimile and other communication facilities and equipments, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals.

1.8 “ELPL” means Emcure Laboratories Private Limited, a company incorporated under the Act and having its Registered office at T-172, M.I.D.C., Bhosari, Pune - 411 026.

1.9 “LLL” means Lasor Laboratories Limited, a company incorporated under the Act and having its Registered office at C-10(12) Functional Electronic Estate, Bhosari, Pune - 411 026.

1.10 “LRL” means Lasor Remedies Limited, a company incorporated under the Act and having its Registered office at S-25/D-6, T-Block, M.I.D.C., Bhosari, Pune - 411 026.

1.11 “NPL” means Nucron Pharmaceuticals Limited, a company incorporated under the Act and having its Registered office at C-7-8(2), M.I.D.C., Bhosari, Pune - 411 026.

1.12 “HMS” means Hiralal Mehta Sales Private Limited a company incorporated under the Act and having its Registered office at R.B.Estate, Dapodi, Pune – 411 012.

2. SHARE CAPITAL

2.1 The Authorised and the Issued, Subscribed and Paid up share capital of each of the Transferor Companies are as follows:

ELPL : AUTHORISED: 50,000 Equity Shares of Rs.100/- each	Rs. 50,00,000/-
ISSUED, SUBSCRIBED AND PAID UP 20,000 Equity Shares of Rs.100/- each	Rs. 20,00,000/-
LLL : AUTHORISED: 30,00,000 Equity Shares of Rs.10/- each	Rs. 3,00,00,000/-
ISSUED, SUBSCRIBED AND PAID UP 9,00,000 Equity Shares of Rs.10/- each	Rs. 90,00,000/-
LRL : AUTHORISED: 35,000 15% Cumulative Redeemable Preference Shares of Rs.100/- each Rs. 35,00,000/-	

65,000 Equity Shares of Rs.100/- each	Rs. 65,00,000/-	Rs. 1,00,00,000/-
ISSUED, SUBSCRIBED AND PAID UP 50,000 Equity Shares of Rs.100/- each		Rs. 50,00,000/-
NPL : AUTHORISED: 5,00,000 Equity Shares of Rs.10/- each		Rs. 50,00,000/-
ISSUED, SUBSCRIBED AND PAID UP 2,60,000 Equity Shares of Rs.10/- each		Rs. 26,00,000/-
HMSPL: AUTHORISED: 20,000 Equity Shares of Rs.100/- each		Rs. 20,00,000/-
ISSUED, SUBSCRIBED AND PAID UP 15,000 Equity Shares of Rs.100/- each		Rs.15,00,000/-

PART II – THE SCHEME

1. DATE WHEN THE SCHEME COMES INTO OPERATION

- 1.1 Although the Scheme comes into operation from the Appointed Date it shall only become effective from the Effective Date.

2. TRANSFER OF UNDERTAKING

- 2.1 With effect from the Appointed Date, the Undertaking shall, pursuant to the provisions contained in Section 394 and other applicable provisions of the Act, stand transferred to and vest in or be deemed to be transferred to and vest in the Transferee Company without any further act, deed, matter or thing (save as provided in Clause 2.2 of this part) so as to become the property or liabilities of the Transferee Company but subject to all charges affecting the same; Provided Always that the Scheme shall not operate to enlarge the security for any loan deposit or facility availed of by the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security therefor after the Effective Date or otherwise.
- 2.2 All the movable assets of each of the Transferor Companies shall be physically handed over by manual delivery to the Transferee Company to the end and intent that the ownership and property therein passes to the Transferee Company, on such handing over. The amounts lying with the Banks to the credit of each of the Transferor Companies as of the Appointed Date shall also be transferred to the Transferee Company. Such delivery and transfer shall be made on a date to be mutually agreed upon between the respective Board of Directors of each of the Transferor Companies and the Transferee Company within thirty days from the date of the Orders of the High Court at Mumbai sanctioning the Scheme.
- 2.3 On and from the Appointed Date and subject to any corrections and adjustments as may, in the opinion of the Board of Directors of the Transferee Company, be required, the reserves and the balance in the Profit and Loss Account of each of the Transferor Companies will be merged with those of the Transferee Company in the same form as they appear in the financial statements of each of the Transferor Companies. In other words, the reserves and the balance in the Profit and Loss Account of each of the Transferor Companies as on the Appointed Date shall be incorporated in the books and Balance Sheet of the Transferee Company.
- 2.4 The difference between the amount recorded as fresh share capital issued by the Transferee Company on amalgamation and the amount of share capital of each of the

Transferor Companies shall be reflected in the reserves of the Transferee Company.

- 2.5 With effect from the Appointed Date all the debts, liabilities, duties and obligations of each of the Transferor Companies shall, pursuant to the Orders of the High Court at Mumbai under Section 394 and other applicable provisions of the Act and without any further act or deed, be also transferred or deemed to be transferred to and vest in and be assumed by the Transferee Company, so as to become as from the Appointed Date the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to each of the Transferor Companies.

3. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- 3.1 Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which each of the Transferor Companies is a party subsisting or having effect immediately before or after the Effective Date shall remain in full force and effect against or in favour of the Transferee Company and shall be binding on and be enforceable against the Transferee Company as fully and effectually as if it had at all material times been a party thereto.

4. LEGAL PROCEEDINGS

- 4.1 If any suit, appeal or other proceedings of whatever nature (hereinafter referred to as “the Proceedings”) by or against each of the Transferor Companies is pending on or after the Appointed Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking or of anything contained in the Scheme but the Proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against each of the Transferor Companies as if the Scheme had not been made.

5. EMPLOYEES OF THE TRANSFEROR COMPANIES

- 5.1 All permanent employees of each of the Transferor Companies immediately preceding the Effective Date shall become the permanent employees of the Transferee Company on and from the Effective Date on the basis that;
- (a) their services shall be deemed to have been continuous and not have been interrupted by reason of the transfer of the Undertaking;
 - (b) the terms and conditions of service applicable to such employees after such transfer shall not in any way be less favourable than those applicable to them immediately preceding the said transfer;

- (c) as far as the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund created or existing for the benefit of such permanent employees of each of the Transferor Companies are concerned, on and from the Effective Date, the Transferee Company shall stand substituted for each of the Transferor Companies for all purposes whatsoever in relation to the obligation to make

contributions to such Funds in accordance with the provisions of such Funds according to the terms provided in the respective Trust Deeds. It is the aim and intent that all the rights, duties, powers and obligations of each of the Transferor Companies in relation to such Funds shall become those of the Transferee Company. It is clarified that the services of such permanent employees of each of the Transferor Companies will be treated as having been continuous and not interrupted for the purpose of such Funds.

6. CONDUCT OF BUSINESS BY EACH OF THE TRANSFEROR COMPANIES AND THE TRANSFEEE COMPANY UNTIL EFFECTIVE DATE:

6.1 With effect from the Appointed Date and upto and including the Effective Date, each of the Transferor Companies shall:

- (a) carry on and be deemed to carry on all its respective business and activities and stand possessed of its respective properties and assets for and on account of and in trust for the Transferee Company and all the profits accruing to each of the Transferor Companies or losses arising or incurred by them shall for all purposes be treated as the profits or losses of the Transferee Company, as the case may be;
- (b) carry on its business with reasonable diligence and shall not without the prior written consent of the Transferee Company alienate, charge or otherwise deal with or dispose of the Undertaking or any part thereof except in the ordinary course of its business;
- (c) not vary the terms and conditions of service of its permanent employees except in the ordinary course of its business; (d) not, without the prior written consent of the Transferee Company, undertake any new business or a substantial expansion of its existing business.

6.2 With effect from the Appointed Date and upto and including the Effective Date the Transferee Company:

- (a) shall carry on its business with reasonable diligence and shall not without the prior written consent of the Transferor Companies alienate or otherwise deal with or dispose of its pharmaceutical/ animal health business or all or a substantial part

of the assets pertaining thereto except in the ordinary course of its business;

- (b) shall not vary the terms and conditions of service of its permanent employees except in the ordinary course of its business.

7. DIVIDENDS, PROFITS, BONUS/RIGHTS SHARES

- 7.1 Dividends may be declared or paid by any of the Transferor Companies or Transferee Company after mutual consultation with each other.
- 7.2 Neither the Transferor Companies nor the Transferee Company shall issue or allot after the Appointed Date any rights shares, bonus shares or other shares out of their respective authorized or un-issued share capital for the time being, without the consent of each other(s).

8. ISSUE AND ALLOTMENT OF SHARES BY TRANSFEREE COMPANY

- 8.1 Upon the Scheme becoming finally effective, in consideration of the transfer and vesting of the Undertaking of each of the Transferor Companies in the Transferee Company in terms of the Scheme, the Transferee Company shall, without any further application, act or deed issue and allot equity shares of Rs.10/- each credited as fully paid up in the capital of the Transferee Company to every equity shareholder of each of the Transferor Companies whose name appears in the Register of Members on a date (“Record Date”) to be fixed by the Board of Directors of the Transferee Company in the following proportion:
 - (a) For every 100 (One Hundred) Equity Shares of Rs.10/- [Rupees Ten] each of Nucron Pharmaceuticals Limited [NPL], 25 [Twenty Five] Equity Shares of Rs.10/- (Rupees Ten) each of Emcure Pharmaceuticals Limited [Transferee Company];
 - (b) For every 100 (One hundred) Equity Shares of Rs.10/- (Rupees Ten) each of Lasor Laboratories Limited [LLL], 45 [Forty Five] Equity Shares of Rs.10/- (Rupees Ten) each of Emcure Pharmaceuticals Limited (Transferee Company);
 - (c) For every 100 (One Hundred) Equity Shares of Rs.100/- (Rupees Hundred) each of Lasor Remedies Limited [LRL], 550 [Five Hundred and Fifty] Equity Shares of Rs.10/- (Rupees Ten) each of Emcure Pharmaceuticals Limited, (Transferee Company); and
 - (d) For every 100 (One Hundred) Equity Shares of Rs.100/- (Rupees Hundred) each of Emcure Laboratories Private Limited [ELPL], 1000

(One Thousand) Equity Shares of Rs.10/- (Rupee Ten) each of Emcure Pharmaceuticals Ltd. (Transferee Company).

- (e) For every 100 [One Hundred] Equity Shares of Rs.100/- [Rupees One Hundred] each of Hiralal Mehta Sales Private Limited [HMS] 150 [One Hundred Fifty] Equity Shares of Rs.10/- each of Emcure Pharmaceuticals Limited [Transferee Company];

The Equity shares when issued and allotted by the Transferee Company in terms of this Scheme shall be subject to the Memorandum and Articles of Association of the Transferee Company and shall rank for dividend, voting rights and in other respects pari passu with the existing equity shares of the Transferee Company.

- 8.2 No fractional certificates shall be issued by the Transferee Company.
- 8.3 Every shareholder of each of the Transferor Companies shall surrender to the Transferee Company for cancellation, the relevant share certificates held by him in the Transferor Companies and take all steps to obtain from the Transferee Company certificates for the equity shares in the Transferee Company which he may be entitled to in terms of the Scheme.
- 8.4 For the purpose aforesaid, the Transferee Company shall, if and to the extent required, apply for and obtain the consent of the concerned authorities, to the issue and allotment of equity shares to the respective shareholders of the Transferor Companies.
- 8.5 The Transferee Company shall before issue and allotment of the equity shares in terms of the Scheme increase its Authorised Share Capital by the creation of such number of equity shares of Rs.10/- each as may be necessary to satisfy its obligations under the provisions of the Scheme.

9. APPLICATIONS TO THE HIGH COURT AT MUMBAI

- 9.1 On the Scheme being approved by the requisite majority of shareholders of each of the Transferor Companies and Transferee Company respectively representing the required value, each of the Transferor Companies and the Transferee Company shall, with all reasonable despatch, apply under Sections 391 and 394 of the Act to the High Court at Mumbai for sanctioning the Scheme and for such further order or orders thereunder as the High Court at Mumbai may deem fit for carrying the Scheme into effect and for dissolution of each of the Transferor Companies without winding up.

10. MODIFICATIONS OR AMENDMENTS TO THE SCHEME

- 10.1 Each of the Transferor Companies and the Transferee Company through their respective Board of Directors may in their full and absolute discretion assent to any modifications or amendments to the Scheme which the High Court at Mumbai, shareholders of each of Transferor Companies and/or Transferee Company and/or any other Competent Authority may deem fit to approve and may give such directions as they may consider necessary or desirable for settling any question, doubt or difficulty arising under the Scheme or in regard to its implementation or in any matter connected therewith (including any question, doubt or difficulty arising in connection with any deceased or insolvent shareholder of any of the Transferor Companies or the Transferee Company) and to do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect. In the event that any modification or amendment to the Scheme is unacceptable to any of the Transferor Companies and/or the Transferee Company for any reason whatsoever any of the Transferor Companies and/or Transferee Company shall be entitled to withdraw from the Scheme.
- 10.2 For the purpose of giving effect to the Scheme or to carry out any modification or amendment thereto, the Board of Directors of each of the Transferor Companies and the Transferee Company or any Committee thereof is authorised to give such directions and/or to take such steps as may be necessary or desirable including any directions for settling any question, doubt or difficulty whatsoever that may arise.

PART III - GENERAL

SCHEME CONDITIONAL ON APPROVALS/SANCTIONS

1. The Scheme is conditional on and subject to:
- (a) the sanction or approval of all persons or authorities concerned being obtained and granted in respect of any of the matters provided for or relating to the Scheme for which such sanction or approval is required;
 - (b) the approval of the Scheme by the requisite majorities representing the required values of the shareholders of each of the Transferor Companies and of the Transferee Company;
 - (c) the sanction of the High Court at Mumbai under Sections 391 and 394 of the Act

and to the necessary Orders under Section 394 of the Act being obtained;

- (d) the approval of any Competent Authority, if and to the extent required, being obtained to the issue and allotment of equity shares in the Transferee Company in accordance with the provisions of the Scheme; and
- (e) certified copies of the Orders of the High Court at Mumbai sanctioning the Scheme being filed with the Registrar of Companies, Maharashtra, by each of the Transferor Companies and the Transferee Company.

2. WHEN SCHEME TO BECOME NULL AND VOID

- 2.1 In the event of any of the sanctions or approvals referred to in Clause 1.1 of this Part not being obtained and/or the certified copies of the Orders referred to in Clauses 1.1 (a) and (e) respectively of this Part not being filed as aforesaid on or before 31st December, 2001 or within such further period or periods as may be agreed upon between each of the Transferor Companies by its Board of Directors and the Transferee Company by its Board of Directors or any of the Transferor Companies and/or the Transferee Company withdrawing from the Scheme pursuant to Clause 10.1 of Part II of the Scheme, the Scheme shall become null and void and in such event no rights or liabilities whatsoever shall accrue to or be incurred inter se between any of the Transferor Companies and the Transferee Company. Each party shall, in such event, bear its respective costs, charges and expenses in connection with the Scheme.

3. COSTS AND EXPENSES

- 3.1 Subject to Clause 2.1 of this Part, all costs, charges and expenses including stamp duty and registration fees of or in respect of any deed, document, instrument or Orders of the High Court at Mumbai in relation to or in connection with negotiations leading upto the Scheme and of carrying out and implementing the terms and provisions of the Scheme shall be borne and paid wholly by the Transferee Company.

IN THE NATIONAL COMPANY LAW TRIBUNAL
COURT NO. V, MUMBAI BENCH

CP (CAA) 22/1/MB/2021

in

CA (CAA) 1154/MB/2020

In the matter of

Sections 230 to 232 read with Section 52 and Section
66 of the Companies Act, 2013 and other applicable
provisions of the Companies Act, 2013 and rules
framed thereunder

and

In the matter of

Scheme of Arrangement

between

Emcure Pharmaceuticals Limited

(*'First Petitioner Company' or 'Demerged Company'*)

and

Avet Lifesciences Limited

(*'Second Petitioner Company' or 'Resulting Company'*)

Emcure Pharmaceuticals Limited

CIN: U24231PN1981PLC024251

... First Petitioner Company (Demerged Company)

Avet Lifesciences Limited

CIN: U24299PN2020PLC193397

... Second Petitioner Company (Resulting Company)

Order Pronounced on: 4th June 2021

Coram:

Hon'ble Mrs. Suchitra Kanuparthi, Member (Judicial)

Hon'ble Mr. Chandra Bhan Singh, Member (Technical)

Appearances:

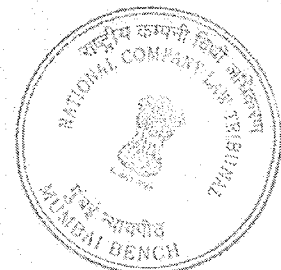
For the Petitioners: Mr. Hemant Sethi, Ms. Vidisha Poonja, Advocates

For the Regional Director (WR): Ms. Rupa Sutar, Deputy Registrar at Office of the Regional Director, Mumbai

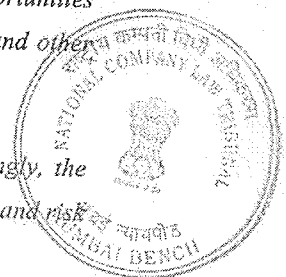
ORDER

Per: Suchitra Kanuparthi, Member (Judicial)

1. This Court is convened via video conferencing.

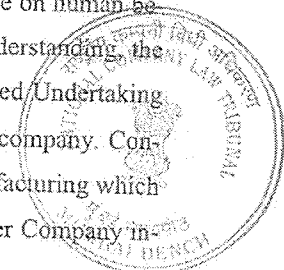


2. Heard Learned Counsel for Petitioner Companies. No objector has come before the Tribunal to oppose the petition and nor has any party controverted any averments made in the petition.
3. This Petition seeks the sanction of the Tribunal under section 230 to 232 read with section 52 and section 66 of the Companies Act, 2013 ('the Act') for the Composite Scheme of Arrangement ('the Scheme') between Emcure Pharmaceuticals Limited (Demerged Company/First Petitioner Company) and Avest Lifesciences Limited (Resulting Company/Second Petitioner Company) and their respective shareholders.
4. The Learned Counsel for the Petitioner Companies submits that the First Petitioner Company is engaged in the business of research and developing, manufacturing and marketing a broad range of pharmaceutical products globally. The Second Petitioner Company is incorporated with the object of research and developing, manufacturing and marketing a broad range of pharmaceutical products globally.
5. The Learned Counsel for the Petitioner Companies submits that the rationale and benefits of the Scheme are as under:
 - *The United States of America is a vast and attractive market but has different characteristics and risk reward ratio than the Remaining Businesses of the Demerged Company. Consequently, growth and expansion of the US Market Business requires a differentiated strategy which is aligned to the market dynamics, regulatory considerations and product portfolio. This will help enhance shareholder value. Further, growth of the US Market Business will require focused investments in research and development vis-à-vis other markets. Given these, it is considered desirable and expedient to demerge the US Market Business of the Demerged Company to the Resulting Company in the manner and on the terms and conditions stated in this Scheme.*
 - *The demerger of the US Market Business of the Demerged Company into the Resulting Company will, inter alia, result in the following benefits:*
 - a) *Segregation of the Demerged Undertaking to the Resulting Company will unlock the true potential of each business vertical, which require focused management bandwidth and attention to execute each market segment's respective vision;*
 - b) *Strengthening customer service, distribution network, overall economies of scale for both the businesses; and*
 - c) *Provide higher degree of flexibility to evaluate independent business opportunities as well as attract the right set of investors, strategic partners, lenders and other stakeholders.*
 - *As stated above, the nature of the two businesses are different and accordingly, the Demerged Company and the Resulting Company have different characteristics and risk*



profile. Accordingly, it has been decided that the Identified Shareholders will be provided an exit from the Resulting Company by way of a capital reduction undertaken in the manner as set out in Part IV of the Scheme immediately after they are issued equity shares of the Resulting Company under Clause 16 of Part III of the Scheme.

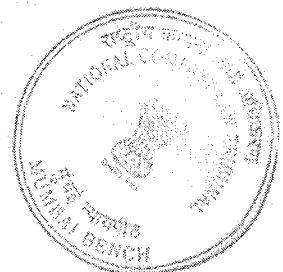
- *The capital reduction of the issued, subscribed and paid-up equity share capital of the Resulting Company, held by Identified Shareholders, would improve the earnings per share and enhance the shareholders' value for all remaining shareholders.*
6. The Petitioner Companies have approved the Composite Scheme of Arrangement by passing Board Resolutions dated 9th November 2020, annexed to the present Company Petition. The Appointed Date fixed under the Scheme is April 1, 2021. The relevant part of the said Resolution is extracted below:
- a. The demerger of the Demerged Undertaking (as defined in the Scheme) of Emcure Pharmaceuticals Limited ("Demerged Company" or "the company", and vesting of the same into Avet Lifesciences Limited ("Resulting Company"), a wholly owned subsidiary of the Company, with effect from the Appointed Date (as defined in the Scheme), in compliance with the provisions of the Section 2(19AA) of the Income Tax Act, 1961 and the provisions of the Act, and as per the terms and conditions mentioned in the scheme;
 - b. Reduction of:
 - (i) The entire equity share capital of the Resulting Company held by BC Investments IV Ltd. (i.e. 23,67,354 equity shares); and
 - (ii) Up to 3,45,425 equity shares of the Resulting Company held by the other Identified Shareholders, in consideration of a payment by the Resulting Company of a sum of Rs. 561.81 per equity share.
7. Learned Counsel for the Petitioner Companies states that the Joint Company Petition has been filed in consonance with the order dated 17th December 2020 passed by this Tribunal in the Company Application bearing C.A. (CAA)1154/MB/2020.
8. The Petitioner Companies are engaged in the pharmaceuticals business. The First Petitioner Company is exploring various avenues to raise funds, including an intention to do initial public offer (IPO) for its Remaining Business (as defined under the Scheme), which includes manufacturing of the Covid-19 vaccine (directly or through its subsidiary 'Genova Biopharmaceuticals Limited' in collaboration with HDT Biotech Corporation, (US). The Petitioner through its subsidiary has already received permission from Drug Controller General of India to conduct Phase 1 & 2 trial Covid-19 Vaccine on human beings. Accordingly, as a part of the business requirement / commercial understanding, the Scheme needs to be given effect prior to such raising so that the Demerged/Undertaking (as defined under the Scheme) no longer is a part of the First Petitioner company. Considering the ongoing pandemic and required funding for the vaccine manufacturing which the First Petitioner will undertake through its subsidiary the First Petitioner Company in



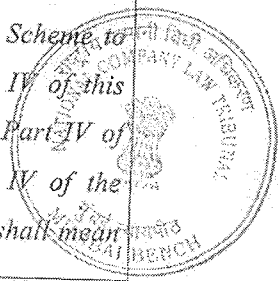
tends to go for the fund raising in the next couple of months for manufacturing of the Covid-19 vaccine through its subsidiary as quickly as possible to help the nation battle the pandemic. Attached herewith as Annexure 1 are the articles published in several newspapers and the extract of the subsidiary's website regarding the manufacturing of the Covid-19 vaccine by the Subsidiary of the First Petitioner Company.

9. The Learned Counsel for the Petitioner Companies states that the Petitioner Companies have complied with all requirements as per directions of the Hon'ble Tribunal and they have filed necessary affidavits of compliance with Hon'ble Tribunal. Moreover, Petitioner Companies undertake to comply with all statutory requirements, if any, as required under the Companies Act, 2013 and the Rules made there under. The said undertaking is accepted.
10. The Regional Director (Western Region), Ministry of Corporate Affairs, Mumbai, has filed Report dated 6th May 2021 interalia stating in paragraphs IV (a) to (p) and in response to the observations of the Regional Director, the Petitioner Companies have filed an Affidavit in Rejoinder dated 6 May 2021 and have clarified as follows:

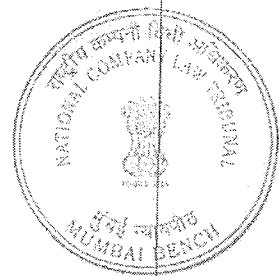
Sr. No. Para	Regional Director Report / Observation Dated 6 th May 2021	Response from the Petitioner Companies
IV (a)	<i>In addition to compliance of AS-103 (IND AS-103) the Transferee Company shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5 (IND AS-8) etc.</i>	<i>In so far as observations made in paragraph IV (a) of the Report of Regional Director is concerned, the Second Petitioner Company, through its Counsel, undertakes that in addition to compliance of Ind AS 103, it shall pass such accounting entries which are necessary in connection with the Scheme to comply with other applicable Accounting Standards such as AS-5 (Ind AS-8), etc.</i>



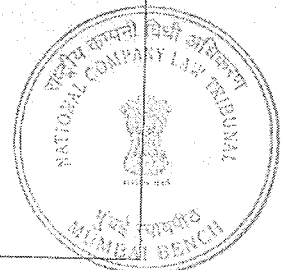
<p>IV (b) <i>As per Part-II-Definitions Clause 1(1.2), 1(1.10), 1(1.11) & 1(1.15) of the Scheme</i></p> <p><i>"Appointed Date" for Part III of the Scheme means April 01, 2021 or any other date as may be decided by the NCLT;</i></p> <p><i>"Effective Date 1" means the last of the dates on which all the conditions and matters referred to in Clause 23.1 of this Scheme occur or have been fulfilled, obtained or waived, as applicable, in accordance with this Scheme. References in this Scheme to "coming into effect of Part III of this Scheme" or "effectiveness of Part III of the Scheme" or "upon Part III of the Scheme becoming effective" shall mean the Effective Date 1.</i></p> <p><i>"Effective Date 2" the business day after the date on which the Resulting Company has issued the New Equity Shares to the Identified Shareholders in accordance with Part III of the Scheme and filed necessary forms with the ROC, which are mandated under Applicable Laws (if any). References in this Scheme to "coming into effect of Part IV of this Scheme" or "effectiveness of Part IV of the Scheme" or "upon Part IV of the Scheme becoming effective" shall mean the Effective Date 2.</i></p>	<p><i>In so far as observations made in paragraph IV (b) of the Report of Regional Director is concerned, the Petitioner Companies, through its Counsel submit that as per Clause 1.4 of the Scheme, "Appointed Date" means 1st day of April, 2021, or such other date as may be fixed or approved by the National Company Law Tribunal or any competent authority may otherwise direct.</i></p> <p><i>Further, as per clause 1.10, "Effective Date 1" means the last of the dates on which all the conditions and matters referred to in Clause 23.1 of this Scheme occur or have been fulfilled, obtained or waived, as applicable, in accordance with this Scheme. References in this Scheme to coming into effect of Part III of this Scheme or effectiveness of Part III of the Scheme or upon Part III of the Scheme becoming effective shall mean the Effective Date 1.</i></p> <p><i>As per clause 1.11, 'Effective Date 2' means the business day after the date on which the Resulting Company has issued the New Equity Shares to the Identified Shareholders in accordance with Part III of the Scheme and filed necessary forms with the ROC, which are mandated under Applicable Laws (if any). References in this Scheme to coming into effect of Part IV of this Scheme or effectiveness of Part IV of the Scheme or upon Part IV of the Scheme becoming effective shall mean</i></p>
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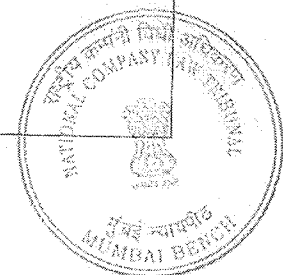
<p><i>“Record Date” in relation to Part III of the Scheme means the date to be fixed by the Board of Directors of the Demerged Company for the purpose of determining the shareholders of the Demerged Company to whom the New Equity Shares will be issued and allotted by the Resulting Company, pursuant to the Scheme.</i></p> <p><i>In this regard, it is submitted that Section 232 (6) of the Companies Act, 2013 states that the scheme under this section shall clearly indicate an appointed date from which it shall be effective and the scheme shall be deemed to be effective from such date and not at a date subsequent to the appointed date. However, this aspect may be decided by the Hon’ble Tribunal taking into account its inherent powers.</i></p> <p><i>Further, the Petitioners may be asked to comply with the requirements and clarified vide circular no. F. No. 7/12/2019/CL-1 dated 21.08.2019 issued by the Ministry of Corporate Affairs.</i></p>	<p><i>the Effective Date 2.</i></p> <p><i>The Petitioner Companies undertakes to comply with requirements vide circular no. F. No. 7/12/2019/CL-1 dated 21-08-2019 issued by the Ministry of Corporate Affairs.</i></p>
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<p>IV (c) <i>The Hon'ble Tribunal may kindly seek the undertaking that this Scheme is approved by the requisite majority of members and creditors as per Section 230(6) of the Act in meetings duly held in terms of Section 230(1) read with sub-section (3) to (5) of Section 230 of the Act and the Minutes thereof are duly placed before the Tribunal</i></p>	<p><i>In so far as observations made in paragraph IV (c) of the Report of Regional Director is concerned, the Petitioner Companies through its Counsel submit that in pursuance of the order dated 17th December, 2020 passed by this Tribunal in C.A. (CAA) No. 1154/MB/2020, the requirement to convene meeting of the Equity Shareholders of the Petitioner Companies was dispensed with by view of consent affidavits provided by all the equity shareholders of the Petitioner Companies and accordingly the requirement of taking approval of shareholders by a meeting is not applicable. Further, pursuant to the directions contained in the said order, the meeting of the Secured Creditors and Unsecured Creditors of Petitioner Companies, was not required to be held and the Petitioner Companies were required to issue notices to the unsecured creditors. Also, the First Petitioner Company was directed to obtain consent letters from its secured creditors before the final hearing. The Learned Counsel for the First Petitioner Company submits the same was complied by the Petitioner No. 1 by filing the Affidavit of Service on 28th April 2021. The Second Petitioner Company does not have any secured creditors.</i></p>
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<p>IV (d)</p>	<p><i>Hon'ble NCLT may kindly direct the petitioners to file an affidavit to the extent that the Scheme enclosed to Company Application & Company Petition, are one and same and there is no discrepancy/any change/changes are made, for changes if any, liberty be given to Central Government to file further report if any required;</i></p>	<p><i>In so far as observations made in paragraph IV (d) of the Report of Regional Director is concerned, the Petitioner Companies submit that the Scheme enclosed to Company Application and Company Petition, are one and same and there is no discrepancy/ any change/ changes are made to the Scheme.</i></p>
<p>IV (e)</p>	<p><i>The Petitioners under provisions of section 230(5) of the Companies Act, 2013 have to serve notices to concerned authorities which are likely to be affected by Amalgamation. Further, the approval of the scheme by this Hon'ble Tribunal may not deter such authorities to deal with any of the issues arising after giving effect to the scheme. The decision of such Authorities is binding on the Petitioner Company(s).</i></p>	<p><i>In so far as the observations made in paragraph IV (e) of the Report of Regional Director is concerned, the Petitioner Companies submit that notices under Section 230(5) has been served upon the Concerned Income Tax Authority, Regional Director and Registrar of Companies by the Petitioner Companies. The Petitioner Companies further undertakes that the sanction of the Scheme by this Tribunal will not deter any authorities to deal with any of the issues arising after giving effect to the Scheme and that such issues arising out of the Scheme will be met and answered in accordance with law. The Decision of the authorities will be binding on the Petitioner Companies.</i></p>



IV (f) The Petitioner Companies be directed to place on record of this Tribunal the list of assets to be demerged with complete details and its respective valuation.

In so far as the observations made in paragraph IV (f) of the Report of Regional Director is concerned, the Petitioner Companies submit that as per Part III of the Scheme, all the assets and liabilities of the First Petitioner Company as on the Appointed Date relating to the Demerged Undertaking (as defined in the Scheme) shall be demerged into the Second Petitioner Company. The indicative list of assets and liabilities relating to the Demerged Undertaking (as defined in the Scheme) along with their respective book values as on March 31, 2021 is –

Particulars Amounts in crores

Assets

Non-current assets

Property, plant and equipment 0.22

Investments 330.68

Loans 248.70

Other financial assets 3.07

Current assets

Trade receivables 178.51

Bank balances 205.00

Other financial assets 66.84

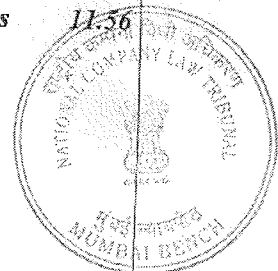
Total assets 1,033.02

Liabilities

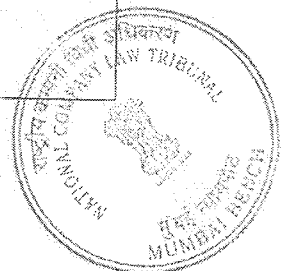
Current liabilities

Trade payables 11.56

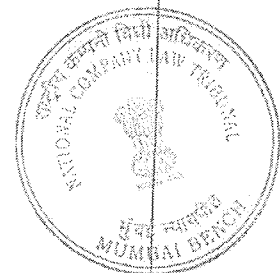
Total liabilities 11.56



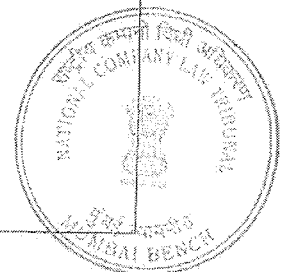
IV (g)	<p><i>As regards Part-I-Clause (C) of the Scheme, (Treatment of the Scheme for the purpose of the Income Tax Act, 1961), Upon the Scheme coming into effect, the demerger of the Demerged Undertaking from the Demerged Company to the Resulting Company shall take place with effect from the Appointed Date and shall be in accordance with the provisions of Section 2(19AA) of the Income-tax Act, 1961. If any of the term(s) or provision(s) of this Scheme is/are found or interpreted to be inconsistent with the provisions of Section 2(19AA) of the Income-tax Act, 1961 at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of Section 2(19AA) of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with the provisions of Section 2(19AA) of the Income-tax Act, 1961. Such modifications will, however, not affect the other parts of the Scheme. The Petitioner Companies be directed to place on record full facts in this matter. The Hon'ble Tribunal may consider the same and decide matter on merits.</i></p>	<p><i>In so far as the observations made in paragraph IV (g) of the Report of Regional Director is concerned, the Petitioner Companies submit that the Petitioner Companies have complied with the provisions of section 2(19AA) of the Income-tax Act, 1961 in relation to "demerger" for Part III of the Scheme.</i></p>
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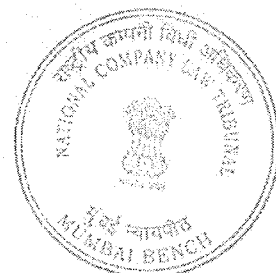
<p>IV (h) <i>As per Part III Clause 6(6.2)(a to d) of the Scheme (Accounting Treatment) (Accounting Treatment in the Books of the Resulting Company),</i></p> <p><i>(a) All identifiable assets and the liabilities acquired, including reserves, related to the Demerged Undertaking, shall be recorded at their respective carrying values as appearing in the books of accounts of the Demerged Company;</i></p> <p><i>(b) The identity of the reserves transferred by the Demerged Company relating to the Demerged Undertaking, as mentioned in (a) above, shall be preserved and shall appear in the books of accounts of the Resulting Company in the same manner and form, in which they appeared in the books of accounts of the Demerged Company;</i></p> <p><i>(c) Upon coming into effect of Part III of the Scheme, the pre-demerger shareholding of the Demerged Company in the Resulting Company shall be cancelled, by crediting the Capital Reserve Account;</i></p> <p><i>(d) In respect of New Equity Shares to be issued by Resulting Company pursuant to Clause 16 of the Scheme as consideration, the Resulting Company shall credit its equity share capital account for the aggregate face value of these shares;</i></p> <p><i>(e) The balance, if any, after giving</i></p>	<p><i>In so far as the observations made in paragraph IV (h) of the Report of Regional Director is concerned, the Second Petitioner Company submits that the difference so credited to "Capital Reserve arising out of Demerger" shall not be available for distribution of dividend and other similar purposes.</i></p>
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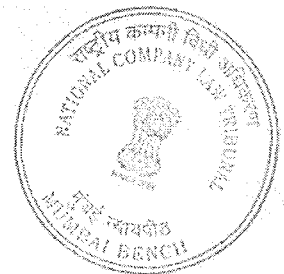
effect to (a) to (d) above shall be adjusted to the capital reserve. In view of the above it is submitted that the difference so credited to "Capital Reserve arising out of Amalgamation" shall not be available for distribution of dividend and other similar purposes.



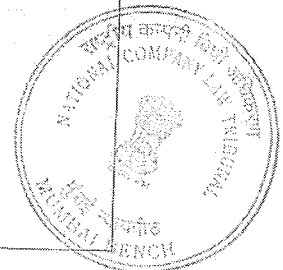
IV (i)	<p><i>As per Part III Clause 16(16.1 to 16.5) of the Scheme (Issue of new Equity Shares). In this regard it is submitted that the issue of New Equity Shares of the Resulting Company shall be deemed to be in the due compliance of the provisions of Section 42, Section 62, of the Companies Act, 2013 and other relevant and applicable provisions of the Act and rules made thereunder.</i></p>	<p><i>In so far as the observations made in paragraph IV (i) of the Report of Regional Director is concerned, the Second Petitioner Company through its Counsel submits that New Equity Shares of the Resulting Company shall be deemed to be in the due compliance of the provisions of Section 42, Section 62, of the Companies Act, 2013 and other relevant and applicable provisions of the Act and rules made thereunder.</i></p>
IV (j)	<p><i>As per Part III Clause 17(17.1 to 17.4) of the Scheme (Increase in Authorized Share Capital of the Resulting company). Upon coming into effect of Part III of the Scheme, the authorized share capital of Resulting Company Shall automatically stand increased. In this regard it is submitted that Hon'ble Tribunal may kindly direct the Petitioner to comply with provisions of Section 4, Section 13, Section 61 & Section 64 of the Companies Act, 2013 or any other applicable provision of the Act.</i></p>	<p><i>In so far as the observations made in paragraph IV (j) of the Report of Regional Director is concerned, the Second Petitioner Company submits it shall comply with provisions of Section 4, Section 13, Section 61 & Section 64 of the Companies Act, 2013 or any other applicable provision of the Act.</i></p>



<i>IV (k)</i>	<i>Since the Transferee / Resulting Company have foreign/non-resident shareholders, therefore, it is subject to the compliance of section 55 of the Companies Act, 2013 the FEMA Regulations/RBI Guidelines by the Transferee / Resulting Company.</i>	<i>In so far as the observations made in paragraph IV (k) of the Report of Regional Director is concerned, the Second Petitioner Company through its Counsel submits that section 55 of the Companies Act, 2013 is not applicable since there is no issue or redemption of preference shares. Further, the Second Petitioner Company submits that it shall comply with the FEMA Regulations/RBI guidelines.</i>
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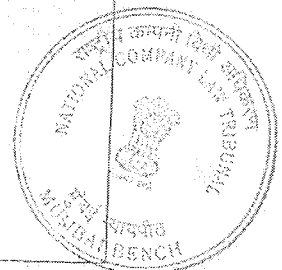
<p><i>IV (l) As per Part-IV- Clause 19(19.1 to 19.8) of the Scheme (Reduction of Re-share Capital of the Resulting Company). Upon Part IV of the Scheme becoming effective on Effective Date 2, 26,35,556 New Equity Shares of the Resulting Company issued to the Identified Shareholders, amounting to 14.57% of the paid up share capital of the Resulting Company on the Effective Date 2, ("Identified Shareholder Shares"), shall stand automatically cancelled without any further application, act, instrument or deed. Subject to requirements under Applicable Law, on Effective Date 2, the Resulting Company shall pay to the Identified Shareholders, an amount of Rs. 561.81/- (Rupees Five Hundred Sixty-One Rupees and Eighty-One Paise) for each Identified Shareholder Share held by the Identified Shareholders.</i></p> <p><i>The Identified Shareholders whose shareholding in the Resulting Company are cancelled in accordance with Clause 19.1 above shall cease to be members of the Resulting Company. The Resulting Company shall rectify the register of members deleting the names of the Identified Shareholders in respect of the New Equity Shares cancelled by the Resulting Company.</i></p> <p><i>The reduction of the paid-up equity share capital of the Resulting</i></p>	<p><i>In so far as the observations made in paragraph IV (l) of the Report of Regional Director is concerned, the Second Petitioner Company submits it shall comply with the provisions of section 52 and other relevant provisions of the Companies Act, 2013. The Second Petitioner Company submits that the Scheme is in accordance with the provisions of section 230-232 of the Companies Act, 2013 and as per the Explanation to section 230 of the Companies Act, 2013, the provisions of section 66 of the Companies Act, 2013 do not apply.</i></p>
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Company as aforesaid would not involve any diminution of liability in respect of the unpaid share capital, if any. The reduction of the equity share capital of the Resulting Company would not in any way adversely affect its operations or its ability to honour its commitments or to pay its debts in the ordinary course of business. Further, no compromise or arrangement is contemplated to be made with the creditors of the Resulting Company.

The reduction of the equity share capital, as mentioned above, shall be effected as an integral part of this Scheme and in accordance with the Explanation to Section 230 of the Act and not under a separate procedure, in terms of Section 66 of the Act. Hence the procedure under section 66 of the Act is not required to be followed separately. The order of NCLT sanctioning the Scheme shall also be deemed to be an order under the Act for the purposes of confirming the reduction of the equity share capital. The consent of the shareholders of Resulting Company to this Scheme shall be deemed to be the consent of its shareholders for the purpose of effecting the reduction.

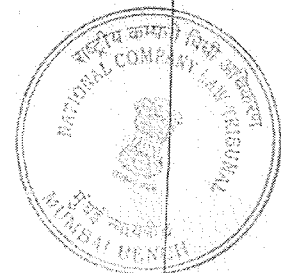
The reduction of the Identified Shareholder Shares of the Resulting Company as envisaged in Part



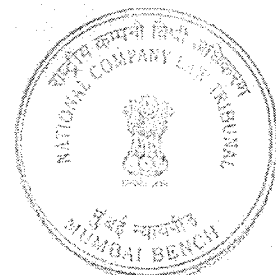
IV of the Scheme would not affect the employees and workmen of the Resulting Company in any manner. Part IV of the Scheme shall not affect any legal or other proceeding by or against the Resulting Company, pending or arising, and that the proceedings may be continued, persecuted and enforced by or against the Resulting Company in the same manner and to the same extent as it would be or might have been continued, persecuted and enforced by or against the Resulting Company prior to Part IV of the Scheme becoming effective on Effective Date 2.

Upon effectiveness of Part IV of this Scheme from Effective Date 2, the provisions of Part IV of this Scheme shall take effect in their entirety without the requirement of any further act, matter or deed or approvals from any person so as to give effect to Part IV of this Scheme. Accordingly, upon effectiveness of Part IV of this Scheme from Effective Date 2, all relevant records shall be updated / amended so as to give effect to Part IV of this Scheme without any further procedural requirements on the part of the Resulting Company.

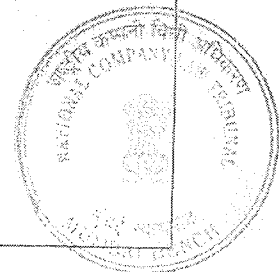
In this regard it is submitted that the Petitioner Company shall also comply the provisions of Section 52 read with Section 66 and other relevant provisions of the Act.



<p>IV (m)</p>	<p><i>The Resulting Company is newly incorporated and how the resulting Company will pay to shareholders whose shares are reduced. The Petitioner Companies be directed to place on records of this Tribunal to full facts as to availability of funds for the purpose of reduction of share capital.</i></p>	<p><i>In so far as the observations made in paragraph IV (m) of the Report of Regional Director is concerned, the Second Petitioner Company through its Counsel submits that the consideration for the capital reduction shall be paid out of the cash received by it as part of the Demerged Undertaking pursuant to the demerger.</i></p>
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<p><i>IV (n) As per Part-IV- Clause 20(20.1 & 20.3) of the Scheme (Accounting Treatment in the Books of the Resulting Company). Upon Part IV of the Scheme becoming effective, the Resulting Company shall account for the capital reduction in its books of accounts as per the applicable Indian Accounting Standards as notified under section 133 of the Act read with relevant rules issued thereunder and other generally accepted accounting principles.</i></p> <p><i>The accounting treatment for the capital reduction based on the generally accepted accounting principles is as follows:</i></p> <p><i>a) The Resulting Company will credit the amount payable to the Identified Shareholders pursuant to the reduction of the equity share capital as per Clause 19 of the Scheme to a separate account named 'Shareholders' Control Account';</i></p> <p><i>b) The issued, subscribed and paid-up equity share capital of the Resulting Company shall be debited by the face value of the equity shares cancelled; and</i></p> <p><i>c) The difference between the face value of the equity shares so cancelled and the Shareholders' Control Account shall be adjusted first against the Capital Reserve Account, then against the Securities Premium Account, and the balance</i></p>	<p><i>In so far as the observations made in paragraph IV (n) of the Report of Regional Director is concerned, the Second Petitioner Company submits Resulting Company shall account for the capital reduction in its books of account as per applicable accounting standards as notified under section 133 of the Act read with relevant rules issued thereunder. Further the reduction is being done as an integral part of scheme and Explanation to Section 230 of the Companies Act 2013 envisages that provisions of section 66 of the Companies act 2013 shall not apply to the reduction of share capital effected in pursuance of the order of the Tribunal under this section.</i></p>
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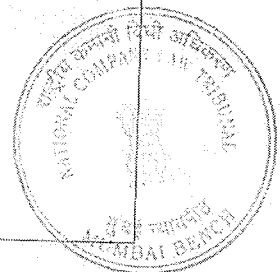


against the Retained Earnings Account.

Upon payment to the Identified Shareholders for cancellation of the New Equity Shares i.e. upon issuance of account payee cheque or wire transfer or NEFT or RTGS, as the case may be, to the Identified Shareholders, the amount paid will be adjusted against the Shareholders' Control Account.

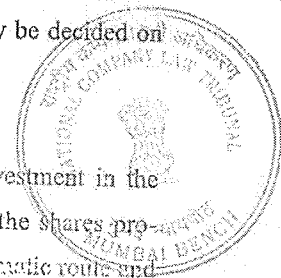
The utilization of the Securities Premium Account of the Resulting Company shall be effected as an integral part of this Scheme without having to follow the process under Section 52 read with Section 66 of the Act.

In this regard it is submitted that the Petitioner Company shall also comply the provisions of Section 52 read with Section 66 and other relevant provisions of the Act.



<p>IV (o)</p>	<p><i>As regards the complaints indicated at para 14 above, under the head - Status of Complaint as per MCA-e Service – Screen Shot, it is submitted that the petitioners be directed to mention all the facts in this regard about complaint and explain about the allegations made therein, before approval of the Scheme.</i></p>	<p><i>In so far as the observations made in paragraph IV (o) of the Report of Regional Director is concerned, the First Petitioner Company submits that it was inspected under Section 207 of the Companies Act, 2013 in the month of August, 2016. Certain non-compliances were highlighted out of which, for 4 (four) matters, the First Petitioner Company has filed an appropriate reply with the Registrar of Company, Pune and the remaining (5) five matters have been compounded and the Demerged Company has paid total compounding fee of Rs. 17,00,000/-. Further, the Demerged Company also undertakes to comply with the directions issued by the Registrar of Companies, Pune.</i></p>
<p>IV (p)</p>	<p><i>In view of the observation raised by the ROC Pune, mentioned at para 26 above Hon'ble NCLT may pass appropriate orders/ orders as deem fit.'</i></p>	<p><i>In so far as the observations made in paragraph IV (p) of the Report of Regional Director is concerned, the Petitioner Companies undertake to follow the instructions/directions given by the ROC Pune.'</i></p>

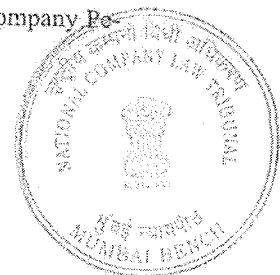
11. The observations made by the Regional Director have been explained in Para 9 above. The clarifications and undertakings given by the Petitioner Companies have been explained in Para 9 above. The clarifications and undertaking given by the Petitioner Companies are hereby accepted by the Tribunal.
12. In response to the Affidavit-in-Rejoinder dated 6 May 2021, the Regional director has filed it's Supplementary Report 31 May 2021 stating that the matter may be decided on merits.
13. The Learned Counsel for the Petitioner Companies submits that the investment in the First Petitioner Company is under the automatic route, and accordingly the shares proposed to be issued to the non-resident shareholders shall be under the automatic route and



hence no approval under the FEMA Regulations is required. Further, in accordance with Regulation 4 of Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019, the Second Petitioner Company undertakes to file Form FC-GPR within 30 days from the date of issue of the equity shares. Further, for the consideration to paid for capital reduction as per Part IV of the Scheme, the Second Petitioner Company has complied with the pricing guidelines under the FEMA Regulations and has obtained a valuation report to that effect. The Second Petitioner Company undertakes to file Form FC-TRS within 60 days from the date of cancellation of the equity shares in accordance with Regulation 4 of Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019.

14. Upon Part III of this Scheme becoming effective and in consideration of the demerger of the Demerged Undertaking from the Demerged Company and vesting of the Demerged Undertaking into the Resulting Company in accordance with this Scheme, the Resulting Company, without any further act or deed and without receipt of any cash, issue and allot to the shareholders of the Demerged Company as on the Record Date, 1 (one) Equity Share of Rs. 10 (Indian Rupees Ten) each of the Resulting Company for every 10 (ten) Equity Share of Rs. 10 (Indian Rupees Ten) each of the Demerged Company ("Demerger Share Entitlement Ratio").
15. Upon Part IV of the Scheme becoming effective on Effective Date, 2,26,35,556 New Equity Shares of the Resulting Company issued to the Identified Shareholders, amounting to 14.57% of the paid up share capital of the Resulting Company on the Effective Date 2, ("Identified Shareholder Shares") shall stand automatically cancelled without any further application, act, instrument or deed. Subject to requirements under Applicable Law, on Effective Date, the Resulting Company shall pay to the Identified Shareholders, an amount of Rs. 561.81/- for each Identified Shareholder Share held by the Identified Shareholders.
16. The Reduction of the paid-up equity share capital of the Resulting Company as aforesaid would not involve any diminution of liability in respect of the unpaid share capital, if any. The reduction of the equity share capital of the Resulting Company would not in anyway adversely affect its operations or its ability to honor its commitments or to pay its debts in the ordinary course of business. Further, no compromise or arrangement is contemplated to be made with the creditors of the Resulting Company.
17. Since all the requisite statutory compliances have been fulfilled, C.P. (CAA)22/MB/2021 is made absolute in terms of prayer clause (a) of the Company Petition. Hence ordered.

18. The Scheme is hereby sanctioned with the Appointed Date of April 1, 2021.



19. The Petitioner Companies are directed to file a copy of this order along with a copy of the Scheme with the concerned Registrar of Companies, electronically, along with e-Form INC-28, in addition to physical copy, within 30 days from the date of receipt of the Order duly certified by the Deputy Director or Assistant Registrar, of the National Company Law Tribunal, Mumbai Bench.
20. The Resulting Company to lodge a copy of this order and the Scheme duly certified by the Deputy Director or the Assistant Registrar, of the National Company Law Tribunal, Mumbai Bench, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty payable, if any, on the same within a period of 60 days from the date of receipt of the Order.
21. All concerned regulatory authorities to act on a copy of this Order along with Scheme duly certified by the Deputy Director or the Assistant Registrar, National Company Law Tribunal, Mumbai Bench.
22. Any person interested is at liberty to apply to this Tribunal in the above matters for any directions that may be necessary.
23. Any concerned Authorities are at liberty to approach this Tribunal for any further clarification as may be necessary.
24. Ordered Accordingly.

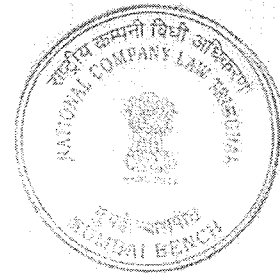
Sd/-
Chandra Bhan Singh
Member Technical

Sd/-
Suchitra Kanuparthi
Member Judicial

Certified True Copy
Date of Application 09.06.2021
Number of Pages 24
Fee Paid Rs. 115
Applicant called for collection copy on 15.07.2021
Copy prepared on 15.07.2021
Copy issued on 15.07.2021

Sachin Kumar
By Sachin Kumar
Registrar
National Company Law Tribunal, Mumbai Bench

(Sachin Kumar)



COMPOSITE SCHEME OF ARRANGEMENT

BETWEEN

EMCURE PHARMACEUTICALS LIMITED

AND

AVET LIFESCIENCES LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS

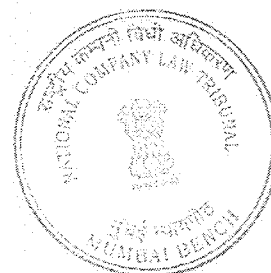
**UNDER SECTIONS 230 TO 232 READ WITH SECTION 52 AND SECTION 66 AND OTHER
APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013**

PREAMBLE

This Composite Scheme of Arrangement (“Scheme”, as more particularly defined below) is presented under Sections 230 to 232 read with Section 52 and Section 66 and other applicable provisions of the Act (as defined below) also read with Section 2(19AA) and other applicable provisions of the Income-tax Act, 1961, between Emcure Pharmaceuticals Limited and Avet Lifesciences Limited and their respective shareholders.

This Scheme provides for the following -

- a) The demerger of the US Market Business (as defined below) of Emcure Pharmaceuticals Limited and vesting of the same in the Resulting Company i.e. Avet Lifesciences Limited and the consequent issue of New Equity Shares (as defined below) of Avet Lifesciences Limited to the shareholders of Emcure Pharmaceuticals Limited in the manner as set out in Part III of the Scheme;
- b) Reduction of 14.57% of the equity share capital of Avet Lifesciences Limited, by cancelling and extinguishing 26,35,556 New Equity Shares of the Resulting Company held by the Identified Shareholders (defined below) after the issuance of shares under sub-clause (a) above in the manner as set out in Part IV of the Scheme; and
- c) Various other matters consequential, supplemental and/ or otherwise integrally connected therewith.



PART I

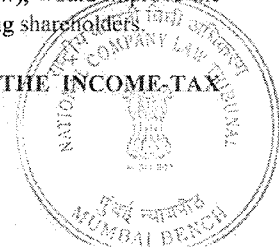
(A) BACKGROUND OF THE COMPANIES:

- a) Emcure Pharmaceuticals Limited (“**Demerged Company**”) was originally incorporated as Emcure Pharmaceuticals Private Limited on April 16, 1981 under the provisions of the Companies Act, 1956 in the State of Maharashtra. The name of the Demerged Company was changed to Emcure Pharmaceuticals Limited with effect from September 18, 2001, pursuant to the Certificate of Change of Name under the Companies Act, 1956 obtained from the Registrar of Companies, Pune (CIN U24231PN1981PLC024251). The registered office of the Demerged Company is situated at Emcure House, T-184, M.I.D.C, Bhosari, Pune – 411 026, in the State of Maharashtra. It is, *inter alia*, engaged in the business of research and developing, manufacturing and marketing a broad range of pharmaceutical products globally.
- b) Avet Lifesciences Limited (“**Resulting Company**”) was incorporated as a Public Limited Company on August 26, 2020 under the provisions of the Companies Act, 2013 in the State of Maharashtra vide certificate of incorporation issued by the Registrar of Companies, Pune (CIN U24299PN2020PLC193397). The registered office of the Resulting Company is situated at T-184, M.I.D.C, Bhosari, Pune – 411 026, in the State of Maharashtra. It has been incorporated with the object of research and developing, manufacturing and marketing a broad range of pharmaceutical products globally. Currently, the Resulting Company is a wholly owned subsidiary of the Demerged Company.

(B) OVERVIEW OF BUSINESSES & RATIONALE FOR THE COMPOSITE SCHEME OF ARRANGEMENT:

- a) The United States of America is a vast and attractive market but has different characteristics and risk reward ratio than the Remaining Businesses of the Demerged Company (as defined below). Consequently, growth and expansion of the US Market Business (as defined below) requires a differentiated strategy which is aligned to the market dynamics, regulatory considerations and product portfolio. This will help enhance shareholder value. Further, growth of the US Market Business will require focused investments in research and development vis-à-vis other markets. Given these, it is considered desirable and expedient to demerge the US Market Business (as defined below) of the Demerged Company to the Resulting Company in the manner and on the terms and conditions stated in this Scheme.
- b) The demerger of the US Market Business (as defined below) of the Demerged Company into the Resulting Company will, *inter alia*, result in the following benefits:
 - (i) Segregation of the Demerged Undertaking to the Resulting Company will unlock the true potential of each business vertical, which require focused management bandwidth and attention to execute each market segment’s respective vision;
 - (ii) Strengthening customer service, distribution network, overall economies of scale for both the businesses; and
 - (iii) Provide higher degree of flexibility to evaluate independent business opportunities as well as attract the right set of investors, strategic partners, lenders and other stakeholders.
- c) As stated above, the nature of the two businesses are different and accordingly, the Demerged Company and the Resulting Company have different characteristics and risk profile. Accordingly, it has been decided that the Identified Shareholders (as defined below) will be provided an exit from the Resulting Company by way of a capital reduction undertaken in the manner as set out in Part IV of the Scheme immediately after they are issued equity shares of the Resulting Company under Clause 16 of Part III of the Scheme.
- d) The capital reduction of the issued, subscribed and paid-up equity share capital of the Resulting Company, held by Identified Shareholders (as defined below), would improve the earnings per share and enhance the shareholders’ value for all remaining shareholders.

(C) TREATMENT OF THE SCHEME FOR THE PURPOSE OF THE INCOME-TAX ACT, 1961



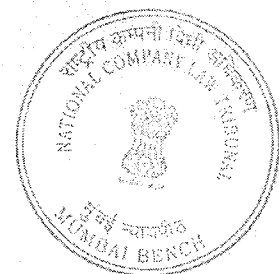
Upon the Scheme coming into effect, the demerger of the Demerged Undertaking from the Demerged Company to the Resulting Company shall take place with effect from the Appointed Date and shall be in accordance with the provisions of Section 2(19AA) of the Income-tax Act, 1961. If any of the term(s) or provision(s) of this Scheme is/are found or interpreted to be inconsistent with the provisions of Section 2(19AA) of the Income-tax Act, 1961 at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of Section 2(19AA) of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with the provisions of Section 2(19AA) of the Income-tax Act, 1961. Such modifications will, however, not affect the other parts of the Scheme.

(D) PARTS OF THE SCHEME

Though this Scheme is divided into various parts for the purpose of convenience, it is to be implemented as a single, inseparable and comprehensive scheme of arrangement. The Scheme is divided into the following parts:

- a) **Part I** deals with the background of the Companies, overview of businesses of the Companies and the rationale of the Scheme;
- b) **Part II** deals with the definitions; date of taking effect and operative date and the share capital of the Companies;
- c) **Part III** deals inter alia with the demerger of the Demerged Undertaking from the Demerged Company to the Resulting Company, in accordance with Section 2(19AA) of the Income-tax Act, 1961 and pursuant to Sections 230 to 232 and other applicable provisions of the Act, as may be applicable, issuance of New Equity Shares by Resulting Company to the shareholders of the Demerged Company and the cancellation of the shares held by the Demerged Company in the Resulting Company; and
- d) **Part IV** deals with reduction of 14.57% of the equity share capital of Resulting Company, by cancelling and extinguishing 26,35,556 New Equity Shares of the Resulting Company held by the Identified Shareholders (defined below) after the issuance of shares under Part III of the Scheme;
- e) **Part V** deals with the general terms and conditions that would be applicable to this Scheme.

Part III and Part IV of the Scheme shall be deemed to have occurred and shall become effective and operative only in the sequence and order mentioned in the Scheme.

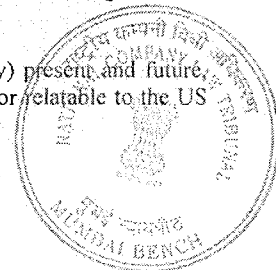


PART II

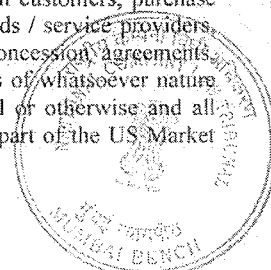
1. DEFINITIONS

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

- 1.1 **“Accounting Standards”** means the applicable accounting standards in force in India from time to time, consistently applied during the relevant period, including the generally accepted accounting principles and standards, Indian Accounting Standard (Ind AS), and all pronouncements including the guidance notes and other authoritative statements of the Institute of Chartered Accountants of India;
- 1.2 **“Act”** means the Companies Act, 2013 and rules made there under and the circulars issued by Ministry of Corporate Affairs as may be applicable, including any statutory modification, re-enactments or amendments thereof for the time being in force;
- 1.3 **“Applicable Laws”** mean any statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority including any statutory modification or re-enactment thereof for the time being in force in India;
- 1.4 **“Appointed Date”** for Part III of the Scheme means April 01, 2021 or any other date as may be decided by the NCLT;
- 1.5 **“Appropriate Authority”** or **“Governmental Authority”** means and includes any applicable Central, State or Local Government, legislative body, regulatory or administrative authority, Registrar of Companies, Regional Director, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction on behalf of the Republic of India or any state or province or other political subdivision thereof or any municipality, district or other subdivision thereof or in any other nation over Demerged Company or Resulting Company, as the context may require;
- 1.6 **“Board of Directors”** or **“Board”** means the respective Board of Directors of each of the Companies under the Scheme and shall include any committee or sub-committee of Directors thereof constituted or appointed and authorized for the purposes of matters pertaining to this Scheme and or any other matter relating thereto;
- 1.7 **“Companies”** means collectively the Demerged Company and the Resulting Company;
- 1.8 **“Demerged Company”** means Emcure Pharmaceuticals Limited, having CIN U24231PN1981PLC024251, a company governed under the Companies Act, 1956 and having its registered office at Emcure House, T-184, M.I.D.C, Bhosari, Pune 411026, Maharashtra, India;
- 1.9 **“Demerged Undertaking”** shall include all the businesses, undertakings, activities, operations and properties, of whatsoever nature and kind and wheresoever situated, forming part of the US Market Business of the Demerged Company as a going concern, including but not limited to, the following:
 - a) All assets and properties, whether movable or immovable, tangible or intangible, whether corporeal or incorporeal, leasehold or otherwise, plant and machinery, research and development units, capital work in progress, advances, deposits, sundry debtors, inventories, cash and bank balances, shares, securities, bills of exchange, other fixed assets, trademarks, loans, inventory and work in progress wherever situated pertaining to the US Market Business;
 - b) Investments in shares and other securities, if any, held by the Demerged Company pertaining to the US Market Business including but not limited to the investments in Heritage Pharma Holdings Inc.;
 - c) All liabilities (including liabilities allocable as per this Scheme, if any) present and future, corporate guarantees issued and the contingent liabilities pertaining to or relating to the US Market Business, including:



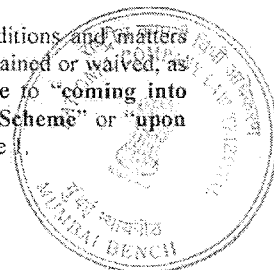
- (i) The debts of the Demerged Company which arises out of the activities or operations of the US Market Business; and
 - (ii) Specific loans and borrowings raised, incurred and utilized by the Demerged Company for the activities or operations of or pertaining to the US Market Business.
- d) Without prejudice to the generality of the above, the Demerged Undertaking shall include in particular:
- (i) Immovable property and rights thereto i.e. land together with buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) buildings, warehouses, offices, etc. if any, which form a part of the US Market Business and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest, benefits and interests of rental agreements for lease or license or other rights to use of premises, in connection with the said immovable properties, if any;
 - (ii) All assets, as are moveable in nature, whether present or future or contingent, tangible or intangible, in possession or not, corporeal or incorporeal, in each case, wherever situated (including plant and machinery, research and developments units, capital work in progress, furniture, fixtures, fixed assets, computers, air conditioners, appliances, accessories, office equipment, communication facilities, installations, vehicles, inventories, stock in trade, stores and spares, packing material, raw material, formulation, tablets, capsules, active pharmaceutical ingredients, drug intermediaries, tools and plants), actionable claims, earnest monies and sundry debtors, prepaid expenses, bills of exchange, promissory notes, financial assets, investment and shares in entities / branches undertaking the US Market Business in India or overseas, outstanding loans and advances, recoverable in cash or kind or for value to be received, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Government, semi-Government, local and other Appropriate Authorities and bodies, banks, customers and other persons, the benefits of any bank guarantees, performance guarantees and tax related assets and credits, including but not limited to service tax input credits, CENVAT credits, value added / sales tax / entry tax credits or set-offs, advance tax, tax deducted at source, right to carry forward and set-off accumulated losses and unabsorbed depreciation, if any, goods and services tax (GST), and other indirect taxes and tax refunds;
 - (iii) All permits, licenses, permissions, approvals including but not limited to Abbreviated New Drug Applications ('ANDAs'), clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, incentives, tax deferrals and exemptions and other benefits (in each case including the benefit of any applications made for the same), income tax benefits, deductions and exemptions, liberties and advantages, approval for commissioning of project and other licenses or clearances, granted / issued / given by any Appropriate Authorities, organizations or companies for the purpose of carrying on the US Market Business or in connection therewith including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that form part of the US Market Business, excluding those related to APIs/Drug Master Files ('DMFs') and ANDAs for AntiRetroVirals related to the U.S. President's Emergency Plan for AIDS Relief (PEPFAR) program, if any;
 - (iv) All rights, contracts, agreements, guarantees, purchase orders / service orders, operation and maintenance contracts, memoranda of understandings, memoranda of agreements, memoranda of agreed points, bids, tenders, tariff policies, expressions of interest, letters of intent, hire and purchase arrangements, power purchase agreements, lease / license agreements, tenancy rights, agreements / panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier / manufacturer of goods / service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether vested or potential and written, oral or otherwise and all rights, title, interests, claims and benefits thereunder forming part of the US Market Business;



- (v) All intellectual property rights, applications (including hardware, software, licenses, source codes, para meterisation and scripts), registrations, goodwill, trade names, service marks, copyrights, patents, project designs, marketing authorization, approvals, marketing intangibles, permits, permissions, incentives, privileges, special status, domain names, designs, trade secrets, research and studies, technical know-how, confidential information and other benefits (in each case including the benefit of any applications made for the same) that form part of the US Market Business;
- (vi) All rights to use and avail telephones, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Demerged Company forming part of the US Market Business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Demerged Company and forming part of the Resulting Company;
- (vii) All books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manual, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, list of present and former customers and suppliers including service providers, other customer information, customer credit information, customer / supplier pricing information, and all other books and records, whether in physical or electronic form that form part of the US Market Business;
- (viii) All liabilities including all debts (whether in Indian Rupees or foreign currency), loans raised and used, obligations incurred, whether specific or arises, duties of any kind, nature or description and undertakings of every kind or nature, contingent liabilities, bank/ corporate guarantees, duties, taxes, obligations under any licenses or permits or schemes and the all other liabilities of any description whatsoever, whether present or future, and howsoever raised or incurred or utilized along with any charge, encumbrance, lien or security thereon related or incurred to or out of the US Market Business;
- (ix) Liabilities other than those referred to in sub-clause (viii) above being the amounts of general or multipurpose borrowings, if any, of the Demerged Company as allocated to the US Market Business in the same proportion in which the book value of the assets transferred under this Clause bears to the total book value of the assets of the Demerged Company immediately before the Appointed Date of the Scheme as may be determined by the Board of Directors of the Demerged Company;
- (x) Any and all earnest monies and / or security deposits, or other entitlements in connection with or relating to US Market Business;
- (xi) All employees of the Demerged Company employed in and / or relatable to the US Market Business as on the Effective Date I; and
- (xii) All legal or other proceedings of whatsoever nature that form part of the US Market Business.

Any issue as to whether any asset or liability and / or employee pertains to or is relatable to the Demerged Undertaking or not shall be decided by the Board of Directors of the Demerged Company.

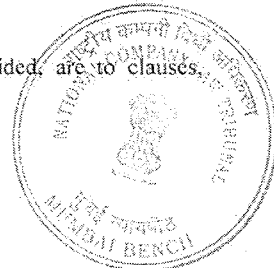
1.10 "Effective Date 1" means the last of the dates on which all the conditions and matters referred to in Clause 23.1 of this Scheme occur or have been fulfilled, obtained or waived, as applicable, in accordance with this Scheme. References in this Scheme to "coming into effect of Part III of this Scheme" or "effectiveness of Part III of the Scheme" or "upon Part III of the Scheme becoming effective" shall mean the Effective Date I.



- 1.11 **“Effective Date 2”** the business day after the date on which the Resulting Company has issued the New Equity Shares to the Identified Shareholders in accordance with Part III of the Scheme and filed necessary forms with the ROC, which are mandated under Applicable Laws (if any). References in this Scheme to **“coming into effect of Part IV of this Scheme”** or **“effectiveness of Part IV of the Scheme”** or **“upon Part IV of the Scheme becoming effective”** shall mean the Effective Date 2.
- 1.12 **“Existing Stock Option Schemes”** means the ‘Emcure ESOS 2013’ approved by the Board of Emcure Pharmaceuticals Limited on 5th June, 2013 and by the Shareholders of Emcure Pharmaceuticals Limited on 14th June, 2013, further amended by the Board of Directors of Emcure Pharmaceuticals Limited on 31st July, 2015 and by the shareholders of Emcure Pharmaceuticals Limited on 14th September, 2015.
- 1.13 **“New Equity Shares”** means the equity shares having a par value of Rs. 10 issued by the Resulting Company to the shareholders of the Demerged Company as a consideration pursuant to this Scheme as per the Demerger Share Entitlement Ratio set out in Clause 16.
- 1.14 **“Identified Shareholders”** in relation to Part IV of the Scheme means (i) BC Investments IV Limited, a limited company established under the laws of Mauritius and having its registered office at c/o Bain Capital Mauritius, Suite 110, 10th Floor, Ebene Heights Building, 34 Ebene Cybercity, Ebene, Republic of Mauritius; and (ii) the shareholders as more particularly set out in Annexure A.
- 1.15 **“Record Date”** in relation to Part III of the Scheme means the date to be fixed by the Board of Directors of the Demerged Company for the purpose of determining the shareholders of the Demerged Company to whom the New Equity Shares will be issued and allotted by the Resulting Company, pursuant to the Scheme.
- 1.16 **“Remaining Businesses”** means all the undertakings, businesses, activities, operations, assets and liabilities of the Demerged Company other than the Demerged Undertaking.
- 1.17 **“Resulting Company”** means Avet Lifesciences Limited, having CIN U24299PN2020PLC193397, a company governed under the Companies Act, 2013 and having its registered office at Emcure House' T-184, M.I.D.C, Bhosari, Pune – 411 026 , Maharashtra, India.
- 1.18 **“ROC”** means Registrar of Companies, Pune.
- 1.19 **“Scheme”** or **“the Scheme”** or **“this Scheme”** means this Scheme of Arrangement among the Companies and their respective shareholders, in accordance with the provisions hereof and pursuant to the provisions of Sections 230-232 and other relevant provisions of the Act.
- 1.20 **“The Tribunal”** or **“NCLT”** means the National Company Law Tribunal, bench at Mumbai, having jurisdiction over the Demerged Company and the Resulting Company.
- 1.21 **“US Market Business”** means all business activities of the Demerged Company directly or through subsidiaries consisting of registration, manufacturing, research and development and commercialization including marketing, sales, promotion and distribution of formulation products at the United States of America but excluding (i) all APIs and (ii) ANDAs for AntiRetroVirals related to the U.S. President's Emergency Plan for AIDS Relief (PEPFAR) program.

2. INTERPRETATION

- 2.1 All terms and words used but 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 or other Applicable Laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.
- 2.2 References to clauses, recitals and schedules, unless otherwise provided, are to clauses, recitals and schedules of and to this Scheme.
- 2.3 The headings herein shall not affect the construction of this Scheme.



- 2.4 Unless context otherwise requires, reference to any law or to any provision thereof shall include references to any such law or to any provision thereof as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted, or to any law or any provision which replaces it, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.
- 2.5 The singular shall include the plural and vice versa; and references to one gender shall include all genders.
- 2.6 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the word preceding those terms

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

Upon the Scheme becoming effective, the Scheme shall be deemed to have been given effect to as per the following chronology and sequence:

- a) With effect from the Appointed Date 1, Part III of the of the Scheme (relating to the demerger of the Demerged Undertaking from the Demerged Company to the Resulting Company, issuance of New Equity Shares by Resulting Company to the shareholders of the Demerged Company and the cancellation of the shares held by the Demerged Company in the Resulting Company) shall be deemed to have been operative from Effective Date 1; and
- b) Part IV of the Scheme (relating to reduction of the equity share capital of the Resulting Company) shall be deemed to have been operative from Effective Date 2.

It is expressly clarified that it is the intention of the Demerged Company and the Resulting Company that the Scheme should be implemented in the entirety and not in part(s).

4. SHARE CAPITAL

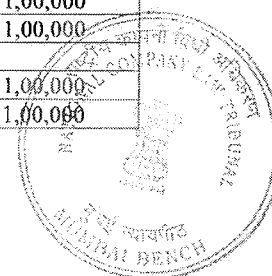
- 4.1 The share capital of the Demerged Company as on 31st March 2020, is as under: -

Share Capital	Rupees
Authorized Share Capital	
20,00,00,000 Equity Shares of Rs. 10/- each	2,00,00,00,000
Total	2,00,00,00,000
Issued, subscribed and paid-up Share Capital	
18,08,52,116 Equity Shares of Rs. 10/- each	1,80,85,21,160
Total	1,80,85,21,160

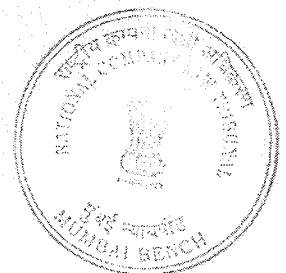
Subsequent to the above date till the date of the Scheme being approved by the Board of the Demerged Company, there has been no change in the authorized, issued, subscribed and paid up share capital of the Demerged Company . The Demerged Company has 16,75,000 outstanding employee stock options under the Existing Stock Option Scheme, the exercise of which may result in an increase of up to 16,75,000 equity shares in the issued and paid-up share capital of the Demerged Company.

- 4.2 The share capital of the Resulting Company as on August 26, 2020 is as under: -

Share Capital	Rupees
Authorized Share Capital	
10,000 Equity Shares of Rs. 10/- each	1,00,000
Total	1,00,000
Issued, subscribed and paid-up Share Capital	
10,000 Equity Shares of Rs. 10/- each	1,00,000
Total	1,00,000



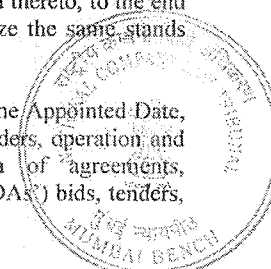
Subsequent to the above date till the date of the Scheme being approved by the Board of the Resulting Company, there has been no change in the authorised, issued, subscribed and paid up share capital of the Resulting Company.



PART III

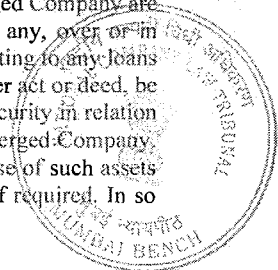
5. DEMERGER OF THE DEMERGED UNDERTAKING AND VESTING OF THE SAME IN THE RESULTING COMPANY

- 5.1 Upon coming into effect of Part III of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, the Demerged Undertaking shall be demerged from the Demerged Company and be transferred to, and stand vested in, the Resulting Company, and shall become the property of and an integral part of the Resulting Company, without any further act, instrument or deed required by either of the Demerged Company or the Resulting Company and without any approval or acknowledgement of any third party in accordance with the provisions of Sections 230 to 232 of the Act and other relevant provision of the Act and the order of the NCLT sanctioning the Scheme.
- 5.2 Without prejudice to the generality of the above, in particular, the Demerged Undertaking shall stand transferred and vested in the Resulting Company, in the manner described in sub-clause (a) – (m) below:
- (a) Upon coming into effect of Part III of this Scheme and with effect from the Appointed Date, such assets and properties of the Demerged Company relating to the Demerged Undertaking, as are movable in nature and / or otherwise capable of transfer by manual or constructive delivery and / or endorsement and delivery shall be deemed to be transferred to and vested in the Resulting Company, wherever such assets may be located, and shall become the assets and properties of the Resulting Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.
- (b) Upon coming into effect of Part III of this Scheme and with effect from the Appointed Date, all immovable properties, if any, (including land, building and any other immovable property) of the Demerged Undertaking of the Demerged Company whether freehold or leasehold or leave and licensed, and any documents of title, rights and easements in relation thereto, shall automatically stand transferred to and vested in the Resulting Company without the requirement of execution of any further documents or instruments of conveyance for registering the name of the Resulting Company as the owner thereof. With effect from the Effective Date 1, the Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges, and fulfil all obligations, in relation to or applicable to such immovable properties. The Demerged Company shall take all steps as may be necessary to ensure that lawful, peaceful and unencumbered possession, right, title, interest of its immovable property is given to the Resulting Company.
- (c) Upon coming into effect of Part III of this Scheme and with effect from the Appointed Date, all assets of the Demerged Undertaking that are movable properties, other than those described under sub-clause (a) above, including investments in shares and any other securities, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with governmental authorities, shall, without any further act or deed, become the property of the Resulting Company and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard.
- (d) Upon coming into effect of Part III of this Scheme and with effect from the Appointed Date, assets such as intangible assets, actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities, bodies and customers, the Demerged Company shall if so required by the Resulting Company, issue notices in such form as the Resulting Company may deem fit and proper stating that pursuant to the effectiveness of the Scheme, the relevant debt, loan, advance or other asset, be paid or made good or held on account of the Demerged Company, as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realize the same stands transferred to the Resulting Company.
- (e) Upon coming into effect of Part III of this Scheme and with effect from the Appointed Date, all rights, contracts, agreements, guarantees, purchase orders / service orders, operation and maintenance contracts, memoranda of understandings, memoranda of agreements, memoranda of agreed points, Abbreviated New Drug Applications ('ANDAs') bids, tenders,



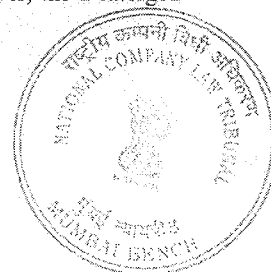
tariff policies, expressions of interest, letters of intent, hire and purchase arrangements, power purchase agreements, lease / license agreements, tenancy rights, agreements / panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier / manufacturer of goods / service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether vested or potential and written, oral or otherwise and all rights, title, interests, claims and benefits thereunder forming part of the US Market Business stands transferred to the Resulting Company.

- (f) Upon coming into effect of Part III of this Scheme and with effect from the Appointed Date, all patents, patent rights applications, trademarks, trade names, knowhow, content, software, manuals, copyrights and other industrial properties and rights of any nature whatsoever, whether pending registration or not and whether under any ongoing litigation or not and licenses assignments, grants in respect thereof, privileges, liberties, easements, contract advantages, benefits, goodwill, quota rights, permits, approvals, authorisations, right to use and avail of telephones, telexes, facsimile and other communication facilities, connections, equipment and installations, utilities, electricity and electronic devices and all other services of every kind, nature and descriptions whatsoever, reserves, provisions, funds, benefit of all agreements, arrangements including but not limited to indemnities/ guarantees given by the Demerged Company in relation to the Demerged Undertaking, deposits, advances, recoverable and receivables whether from government, semi-government, local authorities or any other customs etc., benefits of any agreement to sell of immovable properties sold or purchased by the Demerged Company in relation to the Demerged Undertaking, and all other rights, interests, claims and powers of every kind, nature and description of and arising to them, cash and bank balances, all earnest monies and/ or deposits including security deposits paid by them, the entire business and benefits and advantages of whatsoever nature and where-so-ever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Demerged Company and relating to the Demerged Undertaking, stand transferred to and vested in and/ or be deemed to be and stand transferred to and vested in the Resulting Company.
- (g) Upon coming into effect of Part III of this Scheme and with effect from the Appointed Date, any statutory licenses, permissions or approvals or regulatory licenses or product licenses or no objection certificates or registrations or any grants/ exemptions received or consents held by the Demerged Company required to carry on operations of the Demerged Undertaking shall stand transferred to and vested in the Resulting Company. The benefit of all statutory and regulatory permissions, approvals and consents, registration or other licenses, and consents shall vest in and become available to the Resulting Company pursuant to the Scheme.
- (h) Upon coming into effect of Part III of this Scheme and with effect from the Appointed Date, all income, expenses, debts, liabilities, whether known or unknown, including, without limitation, all secured and unsecured debts, sundry creditors, contingent liabilities, duties, obligations and undertakings of the Demerged Company in relation to the Demerged Undertaking, of every kind, nature and description whatsoever and howsoever arising, raised, incurred or utilized for its business activities and operations, shall, be transferred to, and vested in, or be deemed to have been transferred to and vested in the Resulting Company and shall be assumed by the Resulting Company to the extent they are outstanding as on the Effective Date 1 so as to become, as on and from the Appointed Date, the income, expenses, liabilities, debts, duties and obligations of the Resulting Company on the same terms and conditions as were applicable to the Demerged Company, and the Resulting Company shall meet, discharge and satisfy the liabilities and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this clause.
- (i) Upon coming into effect of Part III of this Scheme and with effect from the Appointed Date, in so far as the assets comprised in the Demerged Undertaking of the Demerged Company are concerned, the security, existing charges, mortgages and encumbrances, if any, over or in respect of any of the assets or any part thereof or charge over such assets relating to any loans or borrowings not relating to Demerged Undertaking shall, without any further act or deed, be released and discharged from the same and shall no longer be available as security in relation to the liabilities, which are not related to Demerged Undertaking of the Demerged Company. The Demerged Company may apply to the Appropriate Authorities for release of such assets and for modification of charges and encumbrances created on such assets, if required. In so



far as the assets comprised in the Remaining Business of the Demerged Company are concerned, the security, existing charges, mortgages and encumbrances, if any, over or in respect of any of the assets or any part thereof or charge over such assets relating to any loans or borrowings not relating to Remaining Business of the Demerged Company shall, without any further act or deed, be released and discharged from the same and shall no longer be available as security in relation to the liabilities, which are not related to Remaining Business of the Demerged Company. The Demerged Company may apply to the Appropriate Authorities for release of such assets and for modification of charges and encumbrances created on such assets, if required.

- (j) Upon coming into effect of Part III of this Scheme and with effect from the Appointed Date, all taxes (including income tax, sales tax, excise duty, service tax, VAT, CGST, IGST, SGST, GST Compensation Cess, etc.) paid or payable by the Demerged Company in respect of the operations and/or the profits of the Demerged Undertaking before the Appointed Date, shall be on account of the Demerged Company and, insofar as it relates to the tax payment (including without limitation, sales tax, excise duty, custom duty, income tax, service tax, VAT, CGST, IGST, SGST, etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by the Demerged Company in respect of the profits from activities of the Demerged Undertaking after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company, and shall, in all proceedings, be dealt with accordingly.
- (k) Upon coming into effect of Part III of this Scheme and with effect from the Appointed Date, all estates, assets, rights, title, interests and authorities accrued to and, or, acquired by the Demerged Company in regard to the Demerged Undertaking shall be deemed to have been accrued to and, or, acquired for and on behalf of the Resulting Company and shall, upon this Scheme becoming effective, pursuant to the provisions of the Act, without any further act or deed, be and stand transferred to or vested in or be deemed to have been transferred to or vested in the Resulting Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Resulting Company.
- 5.3 Notwithstanding anything to the contrary contained in the Scheme, it is clarified that all assets, liabilities, deposits and balances, investments, contracts, intellectual property rights, licenses, employees and books and records not specifically forming a part of the Demerged Undertaking, shall not be transferred to the Resulting Company and shall continue to be a part of the Demerged Company.
- 5.4 Upon coming into effect of Part III of this Scheme, the creditors of the Resulting Company shall not be entitled to security/ any other right over properties, assets, rights, benefits and interest over the Remaining Business. [Notwithstanding the foregoing, it is clarified that, upon the Scheme coming into effect on the Effective Date 1, the secured creditors of the Resulting Company who have been granted security over the immovable property of the Demerged Company immediately prior to the Effective Date 1, shall continue to be entitled to security over such immovable properties of the Demerged Company, as existing immediately prior to the Effective Date 1, till such time that the Board of the Resulting Company and the secured creditors have mutually agreed to alternate security to be provided by the Resulting Company and have executed appropriate documents, as may be required, in respect of such alternate security.]
- 5.5 Upon coming into effect of Part III of this Scheme, all policies as may be required by Applicable Law to be adopted by the Resulting Company, and which may have already been adopted by the Demerged Company in accordance with Applicable Laws shall *mutatis mutandis* be deemed to have been adopted by the Resulting Company, without any further act or deed required by the Resulting Company.
- 5.6 If any asset relating to Demerged Undertaking (including but not limited to any estate, rights, title, interest in or authorities relating to such asset) which the Demerged Company owns, cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall –



- (i) Hold such asset in trust for the sole benefit of the Resulting Company till the same is transferred and shall hold and deal with the same in accordance with the reasonable instructions as may be given by the Resulting Company in that regard; and
- (ii) Make reasonable efforts to transfer such asset to the Resulting Company (along with any benefits attached thereto) within the earliest possible period pursuant to the Scheme becoming effective.

6. ACCOUNTING TREATMENT

Upon coming into effect of Part III of this Scheme, the Demerged Company and the Resulting Company shall account for the demerger of the Demerged Undertaking in accordance with applicable Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

6.1 ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANY

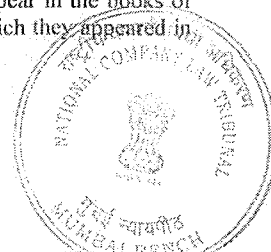
With effect from the Appointed Date, the Demerged Company shall account for the demerger of the Demerged Undertaking in its books of accounts as under –

- (a) The book value of assets, liabilities and reserves of the Demerged Company relating to the Demerged Undertaking shall be reduced from the respective balances appearing for such assets, liabilities and reserves in the books of the Demerged Company;
- (b) The Demerged Company, as on the Appointed Date, shall transfer the balances of Capital Reserve Account, Securities Premium Account and General Reserve Account and Retained Earnings to the Resulting Company in the proportion of net assets transferred to the Resulting Company by the Demerged Company;
- (c) Investments of the Demerged Company in the equity shares of the Resulting Company will stand cancelled, by debiting the Capital Reserve Account;
- (d) The difference, if any, between the net assets and reserves transferred pursuant to clause (b) above pertaining to the Demerged Undertaking shall be first adjusted against the Capital Reserve Account, then against the Securities Premium Account, and the balance, if any, shall be adjusted against the General Reserve Account and Retained Earnings.
- (e) In case of any utilization of the Securities Premium Account of the Demerged Company pursuant to this treatment, due to any reason whatsoever (including but not limited to for the purposes of giving effect to this clause), then the same shall be effected as an integral part of the Scheme without having to follow the process under Section 52 read with Section 66 of the Act separately and the order of the NCLT sanctioning the Scheme shall be deemed to be also the order under Section 52 read with Section 66 of the Act for the purpose of confirming the reduction.

6.2 ACCOUNTING TREATMENT IN THE BOOKS OF THE RESULTING COMPANY

Since the transaction involves entities which are under common control before and after the demerger, the Resulting Company shall account for the transfer and vesting of the Demerged Undertaking (which qualifies as 'Business' as per the definition mentioned in Ind AS 103) as per the 'Pooling of interest method' in its books of accounts in accordance with Appendix C 'Business combinations of entities under common control' of the Ind AS 103 'Business Combinations' prescribed under Section 133 of the Act as enumerated below –

- (a) All identifiable assets and the liabilities acquired, including reserves, related to the Demerged Undertaking, shall be recorded at their respective carrying values as appearing in the books of accounts of the Demerged Company;
- (b) The identity of the reserves transferred by the Demerged Company relating to the Demerged Undertaking, as mentioned in (a) above, shall be preserved and shall appear in the books of accounts of the Resulting Company in the same manner and form, in which they appeared in the books of accounts of the Demerged Company;



- (c) Upon coming into effect of Part III of the Scheme, the pre-demerger shareholding of the Demerged Company in the Resulting Company shall be cancelled, by crediting the Capital Reserve Account;
- (d) In respect of New Equity Shares to be issued by Resulting Company pursuant to Clause 16 of the Scheme as consideration, the Resulting Company shall credit its equity share capital account for the aggregate face value of these shares;
- (e) The balance, if any, after giving effect to a) to d) above shall be adjusted to the capital reserve.

7. EMPLOYEES

7.1 Upon coming into effect of Part III of this Scheme, all of the staffs, workers and employees of the Demerged Company, in relation to Demerged Undertaking, as on the Effective Date 1 shall be deemed to have become the staffs, workers and employees of the Resulting Company without any break or interruption in their services, on same terms and conditions of their employment with the Demerged Company. The Resulting Company further agrees that for the purpose of payment of any retirement benefit/ compensation, such immediate uninterrupted past service with the Demerged Company, as the case may be, shall also be taken into account, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits.

7.2 It is expressly provided that, on the Scheme becoming effective, the existing funds or benefits including provident fund, gratuity fund, superannuation fund or any other special fund or trusts (collectively referred to as the "Funds"), if any, created or existing for the benefit of the staff and employees of the Demerged Company, in relation to Demerged Undertaking, or all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Demerged Company in relation to such Fund or Funds shall become those of the Resulting Company. It is clarified that the Resulting Company shall carry out such steps as may be necessary to register the employees of the Demerged Company, in relation to Demerged Undertaking, with its existing funds or benefits including gratuity trust and provident fund trust or Employee's Provident Fund Organization or any other government provident fund, as per the provisions of Applicable Laws and the same shall be binding on all employees. It is clarified that the services of the staff and employees of the Demerged Company, in relation to Demerged Undertaking, will be treated as having been continuous for the purpose of the said Fund or Funds.

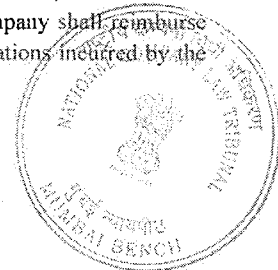
7.3 Stock Options:

The options granted under the Existing Stock Option Scheme would be modified / adjusted as may be deemed appropriate by the Board of the Demerged Company in view of this Scheme as per the Applicable Law.

8. LEGAL PROCEEDINGS

8.1 Upon coming into effect of Part III of this Scheme, all legal proceedings of whatsoever nature, whether pending or threatened, by or against the Demerged Company pending and/ or arising on or before the Appointed Date or which may be instituted at any time thereafter and in each case relating to the Demerged Undertaking of the Demerged Company, shall be continued and enforced by or against the Resulting Company with effect from the Appointed Date in the manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company.

8.2 After the Appointed Date till the Effective Date 1, if any proceedings are taken against the Demerged Company in respect of the matters contained in Clause 8.1 above, it shall defend the same at the cost of the Resulting Company and the Resulting Company shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.



8.3 After the Effective Date 1, if any proceedings are taken or continued against the Demerged Company in respect of Demerged Undertaking carried on by the Resulting Company, the Resulting Company shall defend the same at its own cost; and in respect of the Demerged Undertaking carried on by the Resulting Company after the Effective Date 1, the Resulting Company shall reimburse and indemnify the Demerged Company in the manner as may be agreed between the Companies in writing.

8.4 The Demerged Company shall in no event be responsible or liable in relation to any legal or other proceedings referred to in Clause 8.1 above that stand transferred to the Resulting Company. The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company referred to in Clause 8.1 above, transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company as the case may be, to the exclusion of the Demerged Company, after the Effective Date 1. Notwithstanding anything contained hereinabove, if at any time after the Effective Date 1, if the Companies are unable to get the Resulting Company replaced in such proceedings, the Demerged Company shall defend the same or deal with such proceedings in the manner as may be agreed between the Companies in writing and the Resulting Company shall reimburse and indemnify the Demerged Company against all costs, liabilities and obligations incurred by the Demerged Company, if any, in respect thereof.

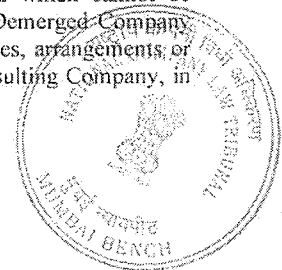
9. **CONTRACTS, GUARANTEES, DEEDS, BONDS AND OTHER INSTRUMENTS**

9.1 Upon coming into effect of Part III of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, insurance policies, indemnities, guarantees, arrangements and other instruments, whether pertaining to immovable properties or otherwise of whatsoever nature relating to Demerged Undertaking and to which the Demerged Company are a party or to the benefit of which the Demerged Company may be eligible, and which are subsisting or have effect immediately before the Effective Date 1, shall continue in full force and effect on or against or in favor of, as the case may be, the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto or there under.

9.2 Without prejudice to the transfer and vesting of Demerged Undertaking to and in the Resulting Company, the Resulting Company may, at any time after this Scheme becomes effective, if so required or becomes necessary, enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations with or in favor of any party to any agreements, contracts, arrangements, understandings, bonds, engagements, deeds and instruments relating to Demerged Undertaking. The Resulting Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Demerged Company and to implement or carry out all formalities required on the part of the Demerged Company to give effect to the provisions of this Scheme.

9.3 For the avoidance of doubt, it is clarified that upon coming into effect of Part III of this Scheme, all permits, authorizations, licences, consents, registrations, approvals, municipal permissions, insurance policies, connections for water, electricity and drainage, sanctions, obligations/benefits arising out of bank guarantees given with respect to any appeals with the relevant Appropriate Authorities, privileges, easements and advantages, facilities, rights, powers and interests (whether vested or contingent), relating to Demerged Undertaking shall stand transferred to and vested in or shall be deemed to be transferred to and vested in the Resulting Company as if the same were originally given or issued to or executed in favor of the Resulting Company, and the rights and benefits under the same shall be available to the Resulting Company.

9.4 It is clarified that if any assets (estate, claims, rights, title, interest in or authorities relating to such assets) or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to Demerged Undertaking, which the Demerged Company owns or to which the Demerged Company is a party and which cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such asset or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company, in so far as it is permissible so to do till such time as the transfer is effected.



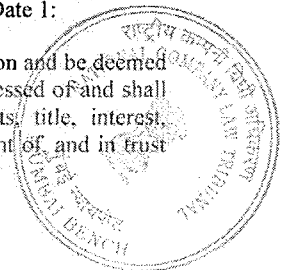
- 9.5 In pursuance of the Scheme, the Demerged Company and the Resulting Company shall agree to execute suitable agreements, deeds, affidavits, consent letters, power of attorney, applications and other documents and enter into such arrangements as may be required for giving effect to this Scheme.
- 9.6 All guarantees provided by the Demerged Company in respect of the Demerged Undertaking shall be valid and subsisting till adequate arrangements / guarantees have been provided in respect of the same by the Resulting Company.

10. TAX CREDITS

- 10.1 The benefit of any tax credits whether central, state or local, availed by the Demerged Company and carry forward and set-off of accumulated losses and unabsorbed depreciation, in relation to Demerged Undertaking, and the obligations, if any, for payment of the tax on any assets of the Demerged Company shall be deemed to have been availed by the Resulting Company or as the case may be, deemed to be the obligations of the Resulting Company.
- 10.2 With effect from the Appointed Date and upon Part III of the Scheme becoming effective, all taxes, duties, cess payable/receivable by the Demerged Company, in relation to Demerged Undertaking, including all or any refunds/tax credit/claims relating thereto shall be treated as asset/liability or refunds/credit/claims, as the case may be, of the Resulting Company.
- 10.3 Upon Part III of the Scheme becoming effective and with effect from the Appointed Date, the Resulting Company is expressly, permitted to revise and file returns pertaining to the Demerged Undertaking belonging to the Demerged Company, including but not limited to income tax returns, withholding tax returns, IGST / CGST / SGST / GST returns and other tax returns filed with the Appropriate Authorities, even after the expiry of the statutory time limits for filing the same under the Applicable Laws.
- 10.4 All expenses incurred by the Demerged Company under Section 43B of the Income Tax Act, 1961, in relation to and pertaining to the Demerged Undertaking, shall be claimed as a deduction by the Resulting Company and the transfer of the Demerged Undertaking shall be considered as a succession of the business by the Resulting Company. Accordingly, it is further clarified that the Resulting Company shall be entitled to claim deduction under section 43B of the Income Tax Act, 1961 in respect of the unpaid liabilities transferred to it as part of the Demerged Undertaking to the extent not claimed by the Demerged Company, as and when the same are paid subsequent to the Appointed Date.
- 10.5 The Resulting Company and the Demerged Company are expressly permitted to revise their tax returns including tax deducted at source certificates/returns and to claim refunds, advance tax credits, excise and service tax credits, unutilized input tax credit of CGST, IGST, SGST, GST Compensation Cess, set off, etc. on the basis of the accounts of the Demerged Company, in relation to Demerged Undertaking, as vested with the Resulting Company upon coming into effect of this scheme and its right to make such revisions in the related tax returns and related certificates, as applicable, and the rights to claim refunds, adjustments, credits, set-offs, advance tax credits pursuant to the sanction of this Scheme and the Scheme becoming effective is expressly reserved.

11. CONDUCT OF THE BUSINESS TILL THE EFFECTIVE DATE 1

- 11.1 With effect from the Appointed Date and up to and including the Effective Date 1, the Demerged Company shall carry on the business of Demerged Undertaking with reasonable diligence in the ordinary course of business. The Demerged Company shall not, without the prior written consent of the Board of Directors of the Resulting Company or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage, encumber or otherwise deal with, or dispose off, any of the assets of Demerged Undertaking or any part thereof.
- 11.2 With effect from the Appointed Date and up to and including the Effective Date 1:
- (a) The Demerged Company, in relation to Demerged Undertaking, shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all its estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions for and on account of, and in trust for, the Resulting Company;

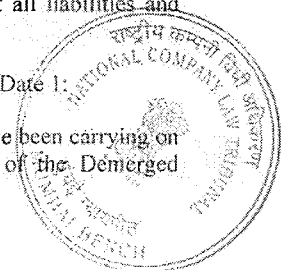


- (b) All profits and income accruing or arising to the Demerged Company, and losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income), in relation to Demerged Undertaking, for the period commencing from the Appointed Date and up to and including the Effective Date 1 shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure (including taxes), as the case may be, of the Resulting Company;
- (c) Any rights, powers, authorities or privileges exercised by the Demerged Company, in relation to Demerged Undertaking, shall be deemed to have been exercised by the Demerged Company for and on behalf of, and in trust for and as an agent of the Resulting Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Demerged Company, in relation to Demerged Undertaking, shall be deemed to have been undertaken for and on behalf of and as an agent for the Resulting Company;
- (d) All taxes (including, without limitation, income tax, wealth tax, sales tax, excise duty, customs duty, service tax, VAT, IGST, SGST, GST Compensation Cess, etc.) paid or payable by the Demerged Company in respect of the operations and/or the profits of Demerged Undertaking before the Appointed Date, shall be on account of the Demerged Company and, insofar as it relates to the tax payment (including, without limitation, income tax, wealth tax, sales tax, excise duty, customs duty, service tax, VAT, IGST, SGST, GST Compensation Cess, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Demerged Company in respect of the profits or activities or operation of Demerged Undertaking after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company and, shall, in all proceedings, be dealt with accordingly; and
- (e) The Demerged Company shall not vary the terms and conditions of service of the employees or conclude settlements with unions or employees of Demerged Undertaking, except in the ordinary course of business or consistent with past practice or pursuant to any pre-existing obligation without the prior written consent of the Board of Directors of the Resulting Company.

11.3 The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under Applicable Law for such consents and approvals which the Resulting Company may be required to carry on the business of Demerged Undertaking.

12. REMAINING BUSINESS OF THE DEMERGED COMPANY

- 12.1 The Remaining Business of the Demerged Company and all the assets, liabilities and obligations other than Demerged Undertaking shall continue to belong to and be vested in and be managed by the Demerged Company.
- 12.2 All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Remaining Business of the Demerged Company (including those relating to any property, right, power, liability, obligation or duties of the Remaining Business of the Demerged Company) shall be continued and enforced by or against the Demerged Company. The Resulting Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceedings in relation to the Remaining Business.
- 12.3 If proceedings are taken against the Resulting Company in respect of the matters referred to in Clause 12.2 above, the Resulting Company shall defend the same in accordance with the advice of the Demerged Company and at the cost and risk of the Demerged Company, and the Demerged Company shall reimburse the Resulting Company against all liabilities and obligations incurred by the Resulting Company in respect thereof.
- 12.4 With effect from the Appointed Date and up to and including the Effective Date 1:
 - (a) The Demerged Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Business of the Demerged Company for and on its own behalf;



- (b) All profits accruing to the Demerged Company thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Business of the Demerged Company shall, for all purposes, be treated as the profits or losses, as the case may be, of the Demerged Company; and
- (c) All assets and properties acquired by the Demerged Company in relation to the Remaining Business of the Demerged Company on and after the Appointed Date shall belong to and continue to remain vested in the Demerged Company.

13. SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities under Clause 5 above and the continuance of the proceedings by or against the Resulting Company above shall not affect any transaction or proceedings already concluded by the Demerged Company to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Demerged Company in respect thereto as done and executed on behalf of the Resulting Company.

14. MISCELLANEOUS

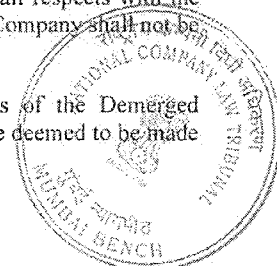
Upon effectiveness of Part III of this Scheme, all relevant records shall be updated / amended so as to give effect to this Scheme and to vest the Demerged Undertaking together with all assets, liabilities, contracts, licences, intellectual property rights and employees of the Demerged Undertaking in the Resulting Company, without any procedural requirements for such assets, liabilities, contracts, licences, intellectual property rights and employees to first be registered or recorded in the name of the Demerged Company in terms of this Scheme.

15. RECORD DATE

Upon the Scheme coming into effect on the Effective Date 1 and upon the transfer of the Demerged Undertaking and vesting of the same in the Resulting Company, the Board of the Demerged Company shall determine a Record Date for issue and allotment of New Equity Shares of the Resulting Company to the shareholders of the Demerged Company in terms of Clause 16 of this Scheme. On determination of Record Date, the Demerged Company shall provide to the Resulting Company, the list of its shareholders as on such Record Date, who are entitled to receive the New Equity Shares in the Resulting Company in terms of this Scheme in order to enable the Resulting Company to issue and allot such New Equity Shares to such shareholders of the Demerged Company.

16. ISSUANCE OF NEW EQUITY SHARES

- 16.1 Upon Part III of this Scheme becoming effective and in consideration of the demerger of the Demerged Undertaking from the Demerged Company and vesting of the Demerged Undertaking into the Resulting Company in accordance with this Scheme, the Resulting Company, without any further act or deed and without receipt of any cash, issue and allot to the shareholders of the Demerged Company as on the Record Date, 1 (one) Equity Share of Rs. 10 (Indian Rupees Ten) each of the Resulting Company for every 10 (ten) Equity Share of Rs. 10 (Indian Rupees Ten) each of the Demerged Company ("**Demerger Share Entitlement Ratio**").
- 16.2 In the event of any restructuring of the equity share capital by the Demerged Company or the Resulting Company, including by way of share split / consolidation / issue of bonus shares or other similar action in relation to share capital of the Demerged Company or the Resulting Company, at any time before the Record Date, the Demerger Share Entitlement Ratio shall be adjusted appropriately to take into account the effect of such issuance or corporate action.
- 16.3 The New Equity Shares to be issued and allotted to the shareholders of the Demerged Company shall be subject to the Scheme, the memorandum and articles of association of the Resulting Company and Applicable Laws and shall rank pari passu in all respects with the then existing equity shares of the Resulting Company and the Resulting Company shall not be required to seek separate consent/ approval of its shareholders.
- 16.4 The issue and allotment of New Equity Shares to the shareholders of the Demerged Company in the Resulting Company, as provided in this Scheme, shall be deemed to be made in compliance with the procedure laid down under the Act.



16.5 Approval of this Scheme by the shareholders of the Resulting Company shall be deemed to be the due compliance of the provisions of Section 42 and Section 62 of the Act and other relevant and applicable provisions of the Act and rules made thereunder for the issue and allotment of New Equity Shares to the equity shareholders of the Demerged Company as on the Record Date, as provided in this Scheme and that no separate approval from the shareholders to that extent shall be required to be sought.

17. INCREASE IN AUTHORISED SHARE CAPITAL OF THE RESULTING COMPANY

17.1 Upon coming into effect of Part III of this Scheme, the authorized share capital of the Resulting Company will automatically stand increased to INR 20,00,00,000 (Rupees Twenty Crores only) by simply filing the requisite forms with the Appropriate Authority and no separate procedure or instrument or deed shall be required to be executed and/or process shall be required to be followed under the Act.

17.2 Consequently, Clause V of the memorandum of association of the Resulting Company shall without any act, instrument or deed be and stand altered, modified and amended pursuant to Sections 4, 13 and 61 and other applicable provisions of the Act, as the case may be, and be replaced by the following clause:

17.3 *"The Authorised Share Capital of the Company is Rs.20,00,00,000/- (Rupees Twenty Crores Only) divided into 2,00,00,000 (Two Crores) Equity Shares of Rs.10/- (Rupees Ten Only) each."*

17.4 It is clarified that the approval of the members of the Resulting Company to this Scheme shall be deemed to be their consent/approval also to the consequential alteration of the memorandum of association of the Resulting Company and the Resulting Company shall not be required to seek separate consent/approval of its shareholders for such alteration of the memorandum of association, as required under Sections 4, 13, 61, 62 and 64 and other applicable provisions of the Act.

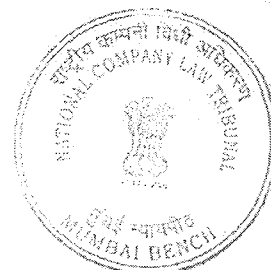
18. CANCELLATION OF SHARES OF THE RESULTING COMPANY

18.1 The Resulting Company is a wholly owned subsidiary of the Demerged Company. Accordingly, simultaneous with the issuance of the New Equity Shares in accordance with the provisions of the Scheme, the existing shareholding of the Demerged Company (directly and through its nominees) in the Resulting Company shall stand automatically cancelled without any further application, act, instrument or deed.

18.2 The cancellation of the equity share capital held by the Demerged Company and its nominees in Resulting Company, in accordance with this Clause 18 of this Scheme, shall be effected as a part of this Scheme itself and not under a separate procedure, in terms of Section 66 of the Act, and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under Section 66 of the Act, or any other applicable provisions, confirming the reduction. The consent of the shareholders of Resulting Company to this Scheme shall be deemed to be the consent of its shareholders for the purpose of effecting the reduction under the provisions of Section 66 of the Act as well and no further compliances would be separately required.

18.3 The reduction would not involve either a diminution of liability in respect of unpaid share capital, if any or payment to any shareholder of any unpaid share capital.

18.4 Notwithstanding the reduction in the equity share capital of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name.



PART – IV

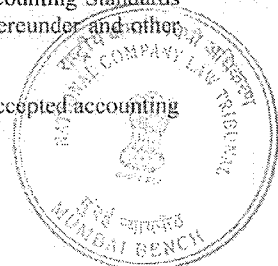
19. REDUCTION OF SHARE CAPITAL OF THE RESULTING COMPANY

- 19.1 Upon Part IV of the Scheme becoming effective on Effective Date 2, 26,35,556 New Equity Shares of the Resulting Company issued to the Identified Shareholders, amounting to 14.57% of the paid up share capital of the Resulting Company on the Effective Date 2. (“Identified Shareholder Shares”), shall stand automatically cancelled without any further application, act, instrument or deed. Subject to requirements under Applicable Law, on Effective Date 2, the Resulting Company shall pay to the Identified Shareholders, an amount of Rs. 561.81/- (Rupees Five Hundred Sixty One Rupees and Eighty One Paise) for each Identified Shareholder Share held by the Identified Shareholders.
- 19.2 The Identified Shareholders whose shareholding in the Resulting Company are cancelled in accordance with Clause 19.1 above shall cease to be members of the Resulting Company. The Resulting Company shall rectify the register of members deleting the names of the Identified Shareholders in respect of the New Equity Shares cancelled by the Resulting Company.
- 19.3 The reduction of the paid-up equity share capital of the Resulting Company as aforesaid would not involve any diminution of liability in respect of the unpaid share capital, if any. The reduction of the equity share capital of the Resulting Company would not in anyway adversely affect its operations or its ability to honor its commitments or to pay its debts in the ordinary course of business. Further, no compromise or arrangement is contemplated to be made with the creditors of the Resulting Company.
- 19.4 The reduction of the equity share capital, as mentioned above, shall be effected as an integral part of this Scheme and in accordance with the Explanation to Section 230 of the Act and not under a separate procedure, in terms of Section 66 of the Act. Hence the procedure under section 66 of the Act is not required to be followed separately. The order of NCLT sanctioning the Scheme shall also be deemed to be an order under the Act for the purposes of confirming the reduction of the equity share capital. The consent of the shareholders of Resulting Company to this Scheme shall be deemed to be the consent of its shareholders for the purpose of effecting the reduction.
- 19.5 Notwithstanding the reduction in the paid-up equity share capital of the Resulting Company, the Resulting Company will not be required to add the suffix ‘And Reduced’ to its name.
- 19.6 The reduction of the Identified Shareholder Shares of the Resulting Company as envisaged in Part IV of the Scheme would not affect the employees and workmen of the Resulting Company in any manner.
- 19.7 Part IV of the Scheme shall not affect any legal or other proceeding by or against the Resulting Company, pending or arising, and that the proceedings maybe continued, persecuted and enforced by or against the Resulting Company in the same manner and to the same extent as it would be or might have been continued, persecuted and enforced by or against the Resulting Company prior to Part IV of the Scheme becoming effective on Effective Date 2.
- 19.8 Upon effectiveness of Part IV of this Scheme from Effective Date 2, the provisions of Part IV of this Scheme shall take effect in their entirety without the requirement of any further act, matter or deed or approvals from any person so as to give effect to Part IV of this Scheme. Accordingly, upon effectiveness of Part IV of this Scheme from Effective Date 2, all relevant records shall be updated / amended so as to give effect to Part IV of this Scheme without any further procedural requirements on the part of the Resulting Company.

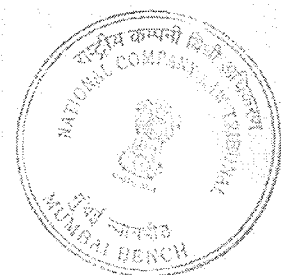
20. ACCOUNTING TREATMENT IN THE BOOKS OF THE RESULTING COMPANY

- 20.1 Upon Part IV of the Scheme becoming effective, the Resulting Company shall account for the capital reduction in its books of accounts as per the applicable Indian Accounting Standards as notified under section 133 of the Act read with relevant rules issued thereunder and other generally accepted accounting principles.

The accounting treatment for the capital reduction based on the generally accepted accounting principles is as follows:



- a) The Resulting Company will credit the amount payable to the Identified Shareholders pursuant to the reduction of the equity share capital as per Clause 19 of the Scheme to a separate account named 'Shareholders' Control Account';
 - b) The issued, subscribed and paid-up equity share capital of the Resulting Company shall be debited by the face value of the equity shares cancelled; and
 - c) The difference between the face value of the equity shares so cancelled and the Shareholders' Control Account shall be adjusted first against the Capital Reserve Account, then against the Securities Premium Account, and the balance against the Retained Earnings Account.
- 20.2 Upon payment to the Identified Shareholders for cancellation of the New Equity Shares i.e. upon issuance of account payee cheque or wire transfer or NEFT or RTGS, as the case may be, to the Identified Shareholders, the amount paid will be adjusted against the Shareholders' Control Account.
- 20.3 The utilization of the Securities Premium Account of the Resulting Company shall be effected as an integral part of this Scheme without having to follow the process under Section 52 read with Section 66 of the Act.



PART – V

21. APPLICATIONS TO NCLT OR OTHER APPROPRIATE AUTHORITIES

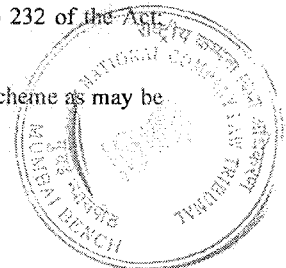
- 21.1 The Demerged Company, and the Resulting Company shall, with all reasonable dispatch, make necessary applications under Sections 230 to 232 of the Act and/or other applicable provisions of the Act to the NCLT or such other Appropriate Authority, where the registered offices of the Demerged Company and the Resulting Company are situated, for seeking order for dispensing with or convening, holding and conducting of meeting of the members and/or creditors of the Demerged Company and the Resulting Company, as may be directed by the NCLT or such other Appropriate Authority for approval of this Scheme and all matters ancillary or incidental thereto.
- 21.2 On the Scheme being approved by the requisite majorities of the members and/or creditors of the Demerged Company and the Resulting Company whether at a meeting or by consents, as prescribed under Applicable Laws and/or as directed by the NCLT or such other Appropriate Authority, the Demerged Company and the Resulting Company shall, with all reasonable dispatch, apply to the NCLT, Bench at Mumbai for sanctioning of the Scheme under Sections 230 to 232 of the Act, and for such other order or orders, as the NCLT or such other authority may deem fit for carrying this Scheme into effect.

22. MODIFICATIONS OR AMENDMENTS TO THE SCHEME

- 22.1 The Demerged Company and the Resulting Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize including any committee or sub-committee thereof, may make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the NCLT or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. The Demerged Company and the Resulting Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize including any committee or sub-committee thereof, shall be authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith. In case, post approval of the Scheme by the NCLT, there is any confusion in interpreting any clause of this Scheme, or otherwise, Board of Directors of the Demerged Company and the Resulting Company will have complete power to take the most sensible interpretation so as to render the Scheme operational.
- 22.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Board of Directors of the Demerged Company and the Resulting Company may give and are hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

23. SCHEME CONDITIONAL ON APPROVALS/ SANCTIONS

- 23.1 The effectiveness of Part III of this Scheme is and shall be conditional upon and subject to the fulfilment (or waiver by the Demerged Company, to the extent permitted under Applicable Law) of the following conditions:
- (a) Approval of the Scheme by requisite majority of each class of shareholders and creditors of the Demerged Company and the Resulting Company, as applicable or as may be required under the Act and/or as may be directed by the Tribunal;
 - (b) The Scheme being sanctioned by the NCLT under Sections 230 to 232 of the Act, and
 - (c) The fulfilment of the conditions' precedent to effectiveness of the Scheme as may be agreed between the Companies in writing;



(d) Certified or authenticated copy of the final order of the NCLT, sanctioning this Scheme under the provisions of Sections 230 to 232 of the Act, being filed with the Registrar of Companies, Maharashtra at Pune either by way of filing required e-forms with Ministry of Corporate Affairs portal or otherwise as required under Applicable Laws in relation to demerger by the Demerged Company and the Resulting Company.

23.2 The effectiveness of Part IV of this Scheme is and shall be conditional upon issuance of the New Equity Shares to the Identified Shareholders in the manner as contemplated in Part III of the Scheme and, if mandated under applicable laws, the Resulting Company filing the certified or authenticated copy of the final order of the NCLT, sanctioning this Part IV of the Scheme under the provisions of Sections 230 to 232 of the Act with the Registrar of Companies, Maharashtra at Pune (either by way of filing required e-forms with Ministry of Corporate Affairs portal or otherwise as required in relation to the reduction of the equity share capital of Resulting Company, if required under Applicable Law.

23.3 It is hereby clarified that submission of the Scheme to the Tribunal and to the Appropriate Authorities for their respective approval is without prejudice to all rights, interests, titles or defenses that the Demerged Company and the Resulting Company may have under or pursuant to all Applicable Laws.

23.4 On the approval of this Scheme by the shareholders of the Demerged Company and the Resulting Company, pursuant to Clause 23.1.(a), such shareholders shall also deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the demerger and capital reduction set out in this Scheme, related matters and this Scheme itself.

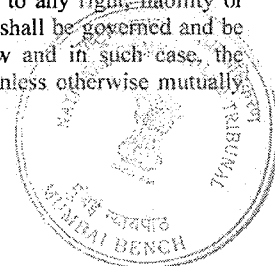
24. EFFECT OF NON-RECEIPT OF APPROVALS/SANCTIONS

In the event of any of the conditions referred to in the preceding clause not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the NCLT or such other competent authority and/or order or orders not being passed as aforesaid, 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 inter se between the Demerged Company and the Resulting Company or their respective shareholders or creditors or employees or any other person and save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights, liabilities or obligations which have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the Applicable Law and in such case, each of the Companies shall bear its own costs unless otherwise mutually agreed.

25. REVOCATION, WITHDRAWAL OF THIS SCHEME

The Board of the Demerged Company shall be entitled to revoke, cancel, withdraw and declare this Scheme of no effect at any stage if, (a) this Scheme is not being sanctioned by the NCLT or if any of the consents, approvals, permissions, resolutions, agreements, sanctions and conditions required for giving effect to this Scheme are not obtained or for any other reason; (b) in case any condition or alteration imposed by the shareholders and / or creditors of the Companies, the NCLT or any other authority is not acceptable to the Board of the Demerged Company; or (c) the Board of the Demerged Company is of the view that the coming into effect of this Scheme, in terms of the provisions of this Scheme, or filing of the drawn up order with Appropriate Authority could have adverse implication on all or any of the Companies. On revocation, withdrawal, or cancellation, this Scheme shall stand revoked, withdrawn, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se between the Companies or their respective shareholders or creditors or employees or any other person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the Applicable Law and in such case, the Demerged Company shall bear all costs relating to this Scheme unless otherwise mutually agreed.

26. FACILITATION



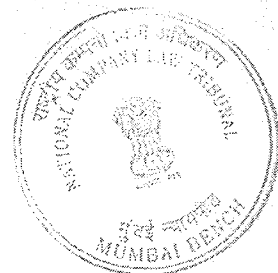
Immediately upon the Scheme being effective on Effective Date 1, the Companies shall enter into agreements as may be necessary, *inter alia*, in relation to use by the Companies of office space, infrastructure facilities, information technology services, security personnel, legal, administrative and other services, etc. on such terms and conditions that may be mutually agreed between them. It is clarified that, in respect of the arrangements contemplated in this Clause 26, approval of the Scheme by the shareholders of the Companies under Sections 230 to 232 of the Act shall be deemed to have their approval under section 188 and other applicable provisions of the Act, provided that approvals as may be required under the articles of association of the Demerged Company and the Resulting Company shall be obtained by the respective Companies.

27. COSTS, CHARGES & EXPENSES

All costs, charges, taxes including duties, levies and all other expenses including stamp duty and registration fee of any deed, document, instrument and/or order passed by the NCLT including this Scheme or in relation to or in connection with negotiations leading up to the Scheme and of carrying out and implementing the terms and provisions of this Scheme and incidental to the completion of arrangement in pursuance of this Scheme, if any (save as expressly otherwise agreed) of the Demerged Company and the Resulting Company shall be borne in the manner as may be mutually agreed between the Demerged Company and the Resulting Company.

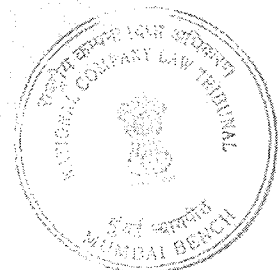
28. DIVIDENDS

- (a) The Companies shall be entitled to declare and make a distribution /pay dividends, whether interim or final, and / or issue bonus shares to their respective members / shareholders prior to the Effective Date 1, in accordance with Applicable Law.
- (b) It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions and shall not be deemed to confer any right on any shareholder of the Demerged Company or the Resulting Company, as the case may be, to demand or claim or be entitled to any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Board of the Demerged Company or the Resulting Company, as the case may be, and subject to approval, if required, of the shareholders of the relevant Companies.



Annexure A – List of Identified Shareholders whose equity shares (which will be issued pursuant to effectiveness of Part III of this Scheme) in the Resulting Company will be cancelled:

Sr. No.	Name of shareholders	No. of shares to be cancelled	Percentage Shareholding
1	BC Investments IV Limited	2,367,354	13.09%
2	Arunkumar Purshotamlal Khanna	120,000	0.66%
3	Mukund Keshao Gurjar	29,572	0.16%
4	Smita D Shah	21,600	0.12%
5	Berjis Desai	19,286	0.11%
6	Prakash Kumar Guha	19,286	0.11%
7	Shreekanth Krushnaji Bapat Alaka Shreekanth Bapat	17,508	0.10%
8	Humayun Dhanrajgir Jini Dhanrajgir	15,428	0.09%
9	Rustom Phiroze Soonawala	13,500	0.07%
10	Shetty Chandrakant Vittal	3,857	0.02%
11	Shriram Balasubramanian	3,857	0.02%
12	Hitesh Sohanlal Jain	2,572	0.01%
13	Devbalaji U	1,736	0.01%
	TOTAL	2,635,556	14.57%



C.P.(CAA)/22/MB/2021

IN

C.A.(CAA)/1154/MB/2020

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

MUMBAI BENCH

C.A./143/MB/2021

IN

C.P.(CAA)/22/MB/2021

IN

C.A.(CAA)/1154/MB/2020

In the matter of the Companies Act, 2013;

AND

In the matter of Section 230 to 232 read with Section 52 and Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder

AND

In the matter of Composite Scheme of Arrangement ('the Scheme') between Emcure Pharmaceuticals Limited (Demerged Company/First Petitioner Company) and Avet Lifesciences Limited (Resulting Company/ Second Petitioner Company) and their respective share-holders ('Scheme')

EMCURE PHARMACEUTICALS LIMITED

..... Demerged Company/ First Petitioner Company

CERTIFIED COPY OF ORDER DATED 15TH DAY
OF JULY, 2021 AND THE SCHEME ANNEXED TO
THE PETITION



HEMANT SETHI & CO.
Advocate for the First Petitioner Company
PH: 9820244453