

SCHEME OF ARRANGEMENT

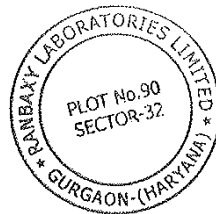
BETWEEN

RANBAXY LABORATORIES LIMITED - TRANSFEROR COMPANY

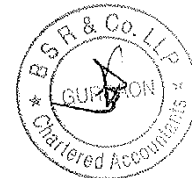
AND

SUN PHARMACEUTICAL INDUSTRIES LIMITED - TRANSFEREE COMPANY

**UNDER SECTIONS 391 TO 394, SECTIONS 78 AND 100 OF THE COMPANIES
ACT, 1956 AND SECTION 52 OF THE COMPANIES ACT, 2013**



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

1. PREAMBLE

1.1. Description of Companies

- (a) **The Transferor Company:** Ranbaxy Laboratories Limited is a listed company incorporated under the provisions of the Act and having its registered office at A-41, Industrial Area Phase VIII-A, SAS Nagar, Mohali, Punjab-160 061, India. The Transferor Company was originally constituted as a private limited company on June 16, 1961 under the name and style of Lepetit Ranbaxy Laboratories Private Limited as per the certificate of registration issued by the Registrar of Companies, Delhi. The Transferor Company became a deemed public limited company effective March 20, 1962 and then was converted into a public limited company effective August 24, 1966. The Transferor Company was again converted to a private limited company effective October 27, 1970 and subsequently converted on September 27, 1973 as a Public Limited Company under the Act under the name and style of Ranbaxy Laboratories Limited as per the certificate of registration issued by the Registrar of Companies, Delhi and Haryana. The registered office of the Transferor Company was changed from the State of Delhi to the State of Punjab on June 27, 1977. The Transferor Company was formed with the main objects of manufacturing and marketing of pharmaceutical products. The Transferor Company is an integrated international pharmaceutical organization with businesses encompassing the entire value chain in the marketing, production and distribution of dosage forms and active pharmaceutical ingredients. Further, the Transferor Company along with its subsidiaries is also engaged in the business of consumer healthcare products. The details of the authorised, issued, subscribed and paid-up share capital of the Transferor Company are set out in the Scheme. The equity shares of the Transferor Company are listed on the Stock Exchanges. The GDRs representing underlying equity shares of the Transferor Company are listed on the Luxembourg Stock Exchange. The NCDs issued by the Transferor Company are listed on the wholesale debt market of the National Stock Exchange of India Limited.

- (b) **The Transferee Company:** Sun Pharmaceutical Industries Limited is a listed company incorporated under the provisions of the Act and having its



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

1.2. Rationale for the Scheme

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

- (a) The combination of Transferee Company and Transferor Company bring strengths that each company does not necessarily possess individually. The expanded global reach of the Transferee Company would be particularly beneficial for capitalizing on growth opportunities in both developed and emerging markets, including India.
- (b) Both the Transferor Company and Transferee Company are in similar lines of business and intend to / can achieve larger product portfolio, economies of scale, efficiency, optimisation of logistic and distribution network and other related economies by consolidating the business operations being managed by different management teams. This Scheme of Arrangement intends to merge the operations of the Transferor Company with that of the Transferee Company to fulfil this objective.
- (c) The Transferee Company will have the benefit of a diversified product portfolio, including complex products and first to file opportunities, across chronic and acute treatments.
- (d) The Transferee Company will have the benefit of the combined resources of Transferor Company and Transferee Company. The Transferee Company would be in a position to carry on consolidated operations through optimum utilization of resources, avoidance of duplication and better financial strength.

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



the shareholders, employees and other stakeholders of the Transferor Company and the Transferee Company.

- 1.4. In furtherance of the aforesaid, this Scheme (as defined hereunder) provides for:
- (a) the amalgamation of the Transferor Company with the Transferee Company;
 - (b) the consequent issue of shares and NCDs by the Transferee Company to the shareholders and holders of NCDs respectively and the treatment of GDRs of the Transferor Company; and
 - (c) various other matters consequential or otherwise integrally connected herewith;

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

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

1.6. Definitions

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

- (a) '*Act*' means the Companies Act, 1956 (and to the extent applicable the Companies Act, 2013) including any statutory modifications, re-enactments or amendments thereof from time to time;
- (b) '*Appointed Date*' means the 1st day of April, 2014 or such other date as may be agreed between the Transferor Company and the Transferee Company and approved by the High Court(s);
- (c) '*Board of Directors*' means the board of directors of the Transferor Company or Transferee Company, as the case may be, and shall include a duly constituted committee thereof;
- (d) '*Depository*' means The Bank of New York Mellon Corporation, being the depository for the GDRs;
- (e) '*Effective Date*' means the last of the dates on which the conditions referred to in Section 18 of this Scheme have been fulfilled. All references in this Scheme to the date of "**coming into effect of this Scheme**" or



“effectiveness of this Scheme” or “Scheme taking effect” shall mean the Effective Date;

- (f) ‘*ESOS I*’ means the Employees Stock Option Scheme (I) of the Transferor Company pursuant to which eligible employees of the Transferor Company are entitled to be issued shares in the Transferor Company upon exercise of a stock option;
- (g) ‘*ESOS II*’ means the Employees Stock Option Scheme (II) of the Transferor Company pursuant to which eligible employees of the Transferor Company are entitled to be issued shares in the Transferor Company upon exercise of a stock option;
- (h) ‘*ESOS 2005*’ means the Employees Stock Option Scheme, 2005 of the Transferor Company pursuant to which eligible employees of the Transferor Company are entitled to be issued shares in the Transferor Company upon exercise of a stock option;
- (i) ‘*ESOP 2011*’ means the Ranbaxy Employee Stock Option Plan – 2011 of the Transferor Company pursuant to which shares in the Transferor Company are transferred to the eligible employees of the Transferor Company upon exercise of stock options;
- (j) ‘*ESOP Schemes*’ mean ESOS I, ESOS II, ESOS 2005 and ESOP 2011;
- (k) ‘*GDRs*’ means the global depository receipts issued by the Transferor Company pursuant to the “Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993” and other applicable law;
- (l) ‘*Governmental Authority*’ means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction;
- (m) ‘*High Court*’ means the Hon’ble High Court of Punjab and Haryana having jurisdiction in relation to the Transferor Company and the High Court of Gujarat having jurisdiction in relation to the Transferee Company, as the context may admit and shall, if applicable, include the National Company Law Tribunal, and “High Courts” shall mean both of them, as the context may require;
- (n) ‘*NCDs*’ means all the non-convertible debentures issued by the Transferor Company each of which are listed on the wholesale debt market segment of National Stock Exchange of India Limited;
- (o) ‘*New Equity Shares*’ means new equity shares of Transferee Company as referred to in Section 8;



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