

**SCHEME OF ARRANGEMENT (DEMERGER)**

**BETWEEN**

**SUVEN LIFE SCIENCES LIMITED**

**("DEMERGED COMPANY" OR "SLSL")**

**AND**

**SUVEN PHARMACEUTICALS LIMITED**

**("RESULTING COMPANY" OR "SPL")**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**(Under the provisions of Section 230 to section 232 read with Section 66 and other applicable provisions of the Companies Act, 2013)**

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**I. PREAMBLE**

This Scheme of Arrangement (Demerger) ("**the Scheme**") is presented under Sections 230 to 232 of the Companies Act, 2013 read with Section 66 of Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 (including any statutory modifications or re-enactments or amendments thereof) for the demerger, transfer and vesting of Contract Research and Manufacturing Services Undertaking (as hereinafter defined) of Suven Life Sciences Limited ("**Demerged Company**" or "**SLSL**") on a going concern basis to Suven Pharmaceuticals Limited ("**Resulting Company**" or "**SPL**"). The Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

**II. DESCRIPTION OF COMPANIES**

**a. SUVEN LIFE SCIENCES LIMITED ("DEMERGED COMPANY" OR "SLSL")**

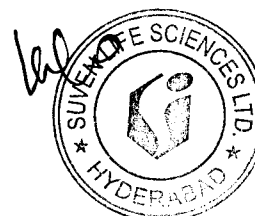
- i. Demerged Company was originally incorporated on March 9, 1989 under the Companies Act, 1956 in the State of Andhra Pradesh with the name "Suven Pharmaceuticals Pvt. Ltd".
- ii. On January 04, 1995, the Demerged Company had changed its name to Suven Pharmaceuticals Limited as per Section 31 (1) / 44 of the Companies Act, 1956. Further, on September 20, 2003 the Demerged Company had changed its name to Suven Life Sciences Limited.



- iii. The Corporate Identity Number of Demerged Company is L24110TG1989PLC009713. The Registered Office of Demerged Company is situated at Door No. 8-2-334, 6th Floor, SDE Serene Chambers, Road No. 5, Avenue 7, Banjara Hills, Hyderabad, Telangana 500034.
- iv. The equity shares of Demerged Company are listed on BSE Limited (Stock Code: 530239) and National Stock Exchange of India Limited (Stock Code: SUVEN-EQ).
- v. The Demerged Company has 2 (two) business verticals:
- Contract Research and Manufacturing Services ("CRAMS") – CRAMS division of Demerged Company is engaged in development and manufacturing of New Chemical Entity (NCE) based Intermediates, Active Pharmaceutical Ingredients (API), Specialty chemicals and formulated drugs under Contract Research and Manufacturing Services for global pharmaceutical, biotechnology and chemical companies.
  - Discovery or Research and Development ('Discovery Research') – Discovery Research division of Demerged Company is focused on discovering, developing and commercializing novel pharmaceutical products, which are first in class or best in class CNS (Central Nervous System) therapies using GPCR targets for the treatment of cognitive impairment associated with neurodegenerative disorders like Alzheimer's disease, Attention Deficient Hyperactivity Disorder (ADHD), Huntington's disease, Parkinson and Schizophrenia, Major Depressive Disorders (MDD) and sleep disorders like Narcolepsy etc.

**b. SUVEN PHARMACEUTICALS LIMITED ("RESULTING COMPANY" OR "SPL"):**

- i. The Resulting Company is a public limited company incorporated on November 06, 2018 under the Companies Act, 2013 in the State of Telangana.
- ii. The Corporate Identity Number of Resulting Company is U24299TG2018PLC128171. The Registered Office of Resulting Company is situated at Door No. 8-2-334, 6th Floor, SDE Serene Chambers, Road No. 5, Avenue 7, Banjara Hills, Hyderabad, Telangana 500034.



- iii. The Resulting Company is engaged in the business of development and manufacturing of New Chemical Entity (NCE) based Intermediates, Active Pharmaceutical Ingredients (API), Specialty chemicals and formulated drugs under contract research and manufacturing services for global pharmaceutical, biotechnology and chemical companies.
- iv. Resulting Company is a wholly owned subsidiary of the Demerged Company.

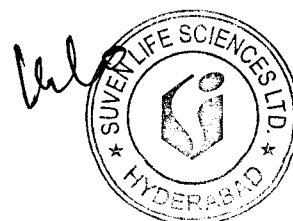
### **RATIONALE FOR THE SCHEME**

The Demerged Company is inter alia engaged in two business verticals, namely: the Contract Research and Manufacturing Services Undertaking and the Discovery Research Undertaking.

The Board of Directors of Demerged Company and Resulting Company believe that the risk and reward associated with each of the aforesaid business verticals are different. In order to segregate the Contract Research and Manufacturing Services Undertaking with that of Discovery Research Undertaking, it is intended to demerge the Contract Research and Manufacturing Services Undertaking on a going concern basis into its wholly owned subsidiary with a resultant mirror image shareholding.

The demerger, transfer and vesting of the Contract Research and Manufacturing Services Undertaking on a going concern basis to the Resulting Company would result in better and efficient control and management for the segregated businesses and promote their growth. Further, it would also result in the following benefits:

- The demerger would facilitate focused growth, operational efficiencies, business synergies and increased operational and customer focus in relation to the Contract Research and Manufacturing Services Undertaking in the Resulting Company and the Discovery Research Undertaking in the Demerged Company. The demerger would thus provide a platform for having a concentrated approach towards development of the respective business verticals.
- Focused business approach for the maximization of benefits to all the shareholders and opportunities for growth.
- Operational rationalization, organization efficiency and optimum utilization of various resources.



- Ability to leverage financial and operational resources of each business.
- Each business would be able to address independent business opportunities, pursue efficient capital allocation and attract different sets of investors, strategic partners, lenders and other stakeholders.
- The proposed demerger will enhance value for shareholders and allow a focused strategy in operation of the respective business verticals which would be in the best interest of the Demerged Company and the Resulting Company, shareholders, creditors and all persons connected therewith.
- The segregation is also expected to unlock the value of the business verticals of the Demerged Company.
- There is no likelihood that the interests of any shareholder or creditor of either the Demerged Company or the Resulting Company would be prejudiced as a result of the Scheme. The demerger will not impose any additional burden on the members of Demerged Company or the Resulting Company. The Scheme is not in any manner prejudicial or against public interest and would serve the interest of all shareholders, creditors and stakeholders.

Accordingly, the Board of Directors of Demerged Company and Resulting Company have formulated this Scheme of Arrangement (Demerger).

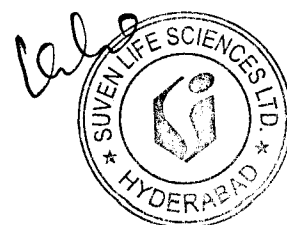
### III. PARTS OF THE SCHEME

The Scheme of Arrangement (Demerger) is divided into the following parts:

**Part A** – Provides for the Definitions, Interpretation and Share Capital;

**Part B** – Provides for the demerger of Contract Research and Manufacturing Services Undertaking from the Demerged Company into the Resulting Company and the reduction of equity share capital of the Resulting Company;

**Part C** – Provides for the General Terms and Conditions applicable to this Scheme of Arrangement (Demerger).



## PART A

### DEFINITIONS, INTERPRETATION AND SHARE CAPITAL

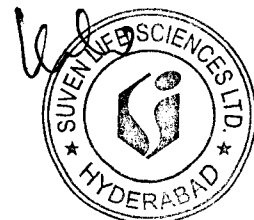
#### 1. DEFINITIONS

In this Scheme of Arrangement (Demerger), unless inconsistent with the subject or context, the following expression shall have the meanings respectively assigned against them:

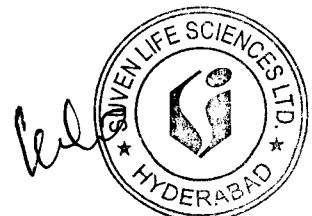
- 1.1 **“Act”** or **“the Act”** means the Companies Act, 2013, the rules, regulations, circulars, guidelines issued thereunder, as amended from time to time and shall, include any statutory modification or re-enactment thereof, for the time being in force;
- 1.2 **“Applicable Laws”** means any statute, notifications, 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;
- 1.3 **“Appointed Date”** means 1 October 2018 or such other date as may be decided or approved by the National Company Law Tribunal or such other appropriate authority;
- 1.4 **“Appropriate Authority”** means and includes any applicable Governmental, statutory, departmental or public body or authority or agency, whether in India or outside India, including the Central Government, Registrar of Companies, National Company Law Tribunal, Stock Exchanges and SEBI;
- 1.5 **“Board”** or **“Board of Directors”** means the Board of Directors or any committee thereof of the Demerged Company or the Resulting Company or both as the context may require and shall include a committee duly constituted and authorized thereby for the purpose of matters pertaining to this Scheme of Arrangement (Demerger) and/or any other consequential or incidental matter in relation thereto;
- 1.6 **“Central Government”** means the Regional Director, Hyderabad, South East Region, in the Ministry of Corporate Affairs, Government of India.



- 1.7 **“Demerged Company” or “Transferor Company” or “SLSL”** means Suven Life Sciences Limited, a company incorporated under the provisions of Companies Act, 1956 on March 9, 1989 (CIN No. L24110TG1989PLC009713) having its registered office at Door No. 8-2-334, 6th Floor, SDE Serene Chambers, Road No. 5, Avenue 7, Banjara Hills, Hyderabad, Telangana 500034, India;
- 1.8 **“Demerged Undertaking” or “Contract Research and Manufacturing Services Undertaking”** means and includes, but not limited to, the undertaking, business, activities, operations, assets, liabilities and employees of the Demerged Company pertaining to the Contract Research and Manufacturing Services Business, as on the Appointed Date, that would be demerged, transferred to and vested in the Resulting Company on a going concern basis. The details of assets and liabilities relating to the Contract Research and Manufacturing Services Business as on the Appointed Date is provided in **Schedule 1** and shall without limitation include the following:
- (i) All the assets and properties, whether movable or immovable located primarily at Suryapet, Jeedimetla, Pashamylaram and at Vizag, whether tangible or intangible, including all intellectual property, rights, title, interest, covenant, including continuing rights, title and interest in connection with the properties, whether corporeal or incorporeal, leasehold land, leasehold premises, freehold land, licenses relatable exclusively to the Contract Research and Manufacturing Services Business.
  - (ii) All contracts, agreements, deeds, leases, memoranda of understanding, memoranda of agreements, undertakings, powers of attorney (if granted and applicable), arrangements, letters of intent, whether written or otherwise, sales orders, purchase orders or other instruments of whatsoever nature to which the Demerged Company is a party, in connection with or in relation to the Contract Research and Manufacturing Services Business, or otherwise identified to be for the benefit of the same, approvals, electricity permits, telephone connections, building and parking rights, pending applications for consents or extension pertaining to or relatable to the Contract Research and Manufacturing Services Business and the right to use assets and properties, whether movable or immovable, tangible or intangible, offices, current assets including loans and advances, furniture, fixtures, office equipment, appliances, accessories of the Contract Research and Manufacturing Services Business of the Demerged Company.

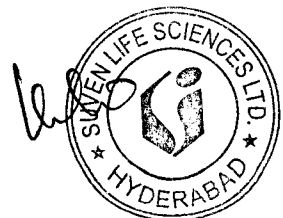


- (iii) All the debts, borrowings and liabilities (including contingent liabilities, liabilities not accrued, not recognized or provided for in the books of accounts of the Demerged Company), guarantees, assurances, commitments, obligations, loans, and undertakings of any kind, nature and description whatsoever and howsoever arising, present or future, whether secured or unsecured, and including, without limitation, working capital facilities, advances from customers, unearned revenues, bills payable, interest, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or un-matured, liquidated or un-liquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising, (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability), pertaining to or relatable to the Contract Research and Manufacturing Services Business of the Demerged Company.
- (iv) All permits, quotas, no objection certificates, rights, entitlements and benefits including affiliation with different universities, Institutes, Boards, licenses, bids, tenders, letter of intent, expression of interest, municipal permissions, approvals, consents, tenancies in relation to office, benefit of any deposit privileges, all other rights, receivables, licenses, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions and benefits of all agreements, contracts and arrangements, including technological licensing agreements, and all other interests in connection with or relating to the Contract Research and Manufacturing Services Business of the Demerged Company.
- (v) All brand names, trademarks, drug master files, service marks, trade names, labels, patents (including but not limited to Patent grants mentioned in **Schedule 2**) and domain names, designs, software and computer programmes, databases, copyrights, trade secrets and other intellectual property and all other interests exclusively relating to the goods or services being used by the Demerged Company in the business, activities and operations pertaining to its Contract Research and Manufacturing Services Business.
- (vi) All staff, workmen and employees engaged in the Contract Research and Manufacturing Services Business of the Demerged Company as of the Effective Date, and any other employees/personnel hired by the Demerged Company on and after the Appointed Date who are primarily engaged in or in relation to the business, activities and operations pertaining to its Contract Research and



Manufacturing Services Business, that are in the employment of the Demerged Company as of the Effective Date.

- (vii) All earnest monies and/or security deposits in connection with or relating to the Contract Research and Manufacturing Services Business of the Demerged Company.
- (viii) All records, files, papers, information, engineering and process information, computer programs, manuals, data, catalogues, quotations, sales advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records, whether in physical form or electronic form relating to the Contract Research and Manufacturing Services Business of the Demerged Company.
- (ix) All permits, licenses, consents, approvals, authorizations, quotas, rights, powers, permissions, arrangements, assignments, sanctions, entitlements, allotments, exemptions, incentives, tax benefits, deferrals, subsidies, concessions, grants, claims, liberties, special status, benefits and privileges enjoyed or conferred upon or held or availed of by the Demerged Company in relation to or pertaining to its Contract Research and Manufacturing Services Business, registrations, advantages, no-objection certificates, certifications, easements, and any waivers of the foregoing, issued by any legislative, executive or judicial unit of any Appropriate Authority, governmental or quasi-governmental entity or any department, commission, board, agency, bureau, official or other regulatory, local (including municipal), administrative or judicial authority, used or held for use by the Demerged Company in respect of business, activities and operations pertaining to its Contract Research and Manufacturing Services Business.
- (x) All tax credits, including cenvat credits, refunds, reimbursements, claims, exemptions, benefits under service tax laws, value added tax (VAT), goods and service tax (GST), purchase tax, sales tax or any other duty or tax or cess or imposts under any Central or State law including sales tax deferrals, special economic zone benefits, excise duty benefits, tax deducted at source, right to carry forward and set-off unabsorbed losses, and depreciation, minimum alternate tax credits, if any and exemptions, deductions, benefits and incentives under the Income-tax Act, 1961 in respect of business, activities, research and development units and operations pertaining to the Contract Research and Manufacturing Services Business of the Demerged Company.



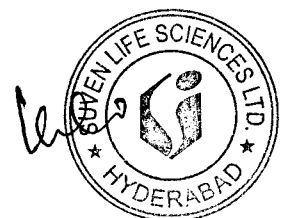


- (xi) All rights, benefits and other interest, whether held in trust or otherwise, contracts, agreements, powers, engagements, arrangements of all kind, privileges and all other rights including title, interests, other benefits (including tax benefits), easements, privileges, liberties and advantages of whatsoever nature and where so ever situate belonging to or in the ownership, possession, power or custody of or in the control of or vested in or granted in favour of or enjoyed by the Demerged Company, whether in India or abroad, all pertaining to or relating to the Contract Research and Manufacturing Services Business of the Demerged Company.

It is intended that the definition of "Demerged Undertaking" or "Contract Research and Manufacturing Services Undertaking" under this clause would enable the transfer of all property, assets, rights, duties, employees and liabilities of Demerged Company pertaining exclusively to the Contract Research and Manufacturing Services Business to Resulting Company pursuant to this Scheme.

Any question that may arise as to whether a specified asset, benefit or liability, contract or obligation pertains to or does not pertain to the Contract Research and Manufacturing Services Undertaking or whether it arises out of the activities or operations of the Contract Research and Manufacturing Services Undertaking shall be decided by the Board of Directors of the Demerged Company and the Resulting Company or any committee thereof by mutual agreement.

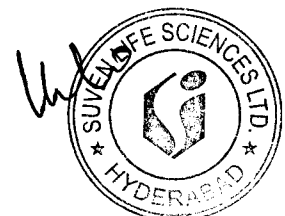
- 1.9 **"Effective Date"** means the date or last of the dates on which the certified copy of the order, issued by the National Company Law Tribunal bench at Hyderabad, sanctioning this Scheme of Arrangement (Demerger) is filed by the Demerged Company and the Resulting Company with the Registrar of Companies, Telangana at Hyderabad;
- 1.10 **"National Company Law Tribunal"** or **"NCLT"** means the National Company Law Tribunal bench at Hyderabad as constituted and authorized as per the provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under section 230-232 of the Companies Act, 2013;
- 1.11 **"Record Date"** means the date to be fixed jointly by the Board of Directors of the Demerged Company and the Resulting Company for the purposes of determining the equity shareholders of the Demerged Company to whom shares would be issued in accordance with Clause 6 of this Scheme;



- 1.12 **“Registrar of Companies”** means the Registrar of Companies, Telangana at Hyderabad;
- 1.13 **“Remaining Business Undertaking”** means all the undertakings, businesses, operations and activities, including all the assets and liabilities, of the Demerged Company, excluding the Demerged Undertaking, retained by the Demerged Company, pursuant to this Scheme;
- 1.14 **“Resulting Company”** or **“Transferee Company”** or **“SPL”** means Suven Pharmaceuticals Limited, a public limited company incorporated under the Companies Act, 2013 on November 06, 2018, having its registered office at Door No. 8-2-334, 6th Floor, SDE Serene Chambers, Road No. 5, Avenue 7, Banjara Hills, Hyderabad, Telangana 500034, India (CIN No. U24299TG2018PLC128171);
- 1.15 **“Scheme”** or **“this Scheme”** or **“Scheme of Arrangement (Demerger)”** shall mean this Scheme of Arrangement (Demerger) in its present form and with such modifications and amendments as may be made from time to time with the appropriate approvals and sanctions of the NCLT and other relevant regulatory/statutory/governmental authorities, as may be required under the Act, and/or any other applicable laws;
- 1.16 **“Share Exchange Ratio”** shall have the meaning set out in Clause 6.1;
- 1.17 **“SEBI”** means the Securities and Exchange Board of India;
- 1.18 **“Stock Exchanges”** means the BSE Limited and National Stock Exchange of India Limited;

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time;

Reference to Clauses, recitals and schedules, unless otherwise provided, are to Clauses, recitals and schedules of and to this Scheme. The singular shall include the plural and vice versa.



## 2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the National Company Law Tribunal and/or other relevant regulatory/statutory/governmental authorities, shall be effective from the Appointed Date, but shall be operative from the Effective Date.

## 3. SHARE CAPITAL

3.1 The share capital of the Demerged Company as on September 30, 2018 is as under:

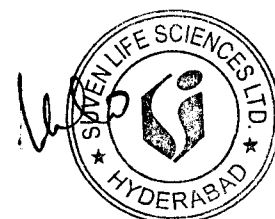
Share Capital	Amount (In INR)
<u>Authorized Share Capital</u>	
40,00,00,000 equity shares of INR1/- each	40,00,00,000
<b>TOTAL</b>	<b>40,00,00,000</b>
<u>Issued, subscribed and paid-up Share Capital</u>	
12,72,82,478 Equity shares of INR 1/- each	12,72,82,478
<b>TOTAL</b>	<b>12,72,82,478</b>

Subsequent to 30 September 2018, there has been no change in the authorised, issued, subscribed and paid up equity share capital of the Demerged Company. The shares of the Demerged Company are currently listed on the BSE Limited and National Stock Exchange of India Limited.

3.2 The share capital of the Resulting Company as on November 06, 2018 (date of incorporation of the Resulting Company) is as under:

Share Capital	Amount (In INR)
<u>Authorized Share Capital</u>	
10,00,000 (Ten Lakhs) Equity shares of INR 1/- each	10,00,000
<b>TOTAL</b>	<b>10,00,000</b>
<u>Issued, subscribed and paid-up Share Capital</u>	
1,00,000 (One Lakh) Equity shares of INR 1/- each	1,00,000
<b>TOTAL</b>	<b>1,00,000</b>

Subsequent to November 06, 2018, there has been no change in the authorised, issued, subscribed and paid up equity share capital of the Resulting Company. The entire paid up share capital of Resulting Company is held by Demerged Company and its nominees.

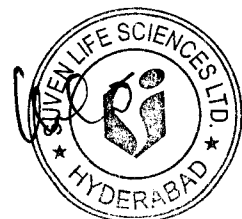


## **PART B**

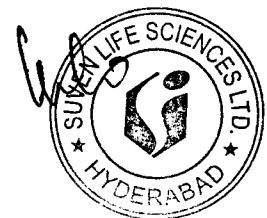
### **TRANSFER AND VESTING OF DEMERGED UNDERTAKING FROM THE DEMERGED COMPANY INTO THE RESULTING COMPANY**

#### **4. TRANSFER AND VESTING OF DEMERGED UNDERTAKING**

- 4.1 With effect from the Appointed Date and upon the Scheme becoming effective, the Demerged Undertaking of the Demerged Company shall, under the provisions of Section 230 to 232 and all other applicable provisions, if any, of the Act and Section 2(19AA) of the Income-tax Act, 1961, without any further act, instrument or deed, be transferred to and stand vested in, and/or be deemed to be transferred to and vested in, the Resulting Company as a going concern so as to become, as and from the Appointed Date, the Undertaking of the Resulting Company by virtue of and in the manner provided in this Scheme.
- 4.2 Any and all assets relating to the Demerged Undertaking, as are movable in nature or are otherwise capable of transfer by delivery of possession or by endorsement and delivery, the same shall be so transferred by Demerged Company, upon the coming into effect of the Scheme, and shall become the property of Resulting Company as an integral part of the Demerged Undertaking with effect from the Appointed Date, pursuant to the provisions of Section 230-232 of the Act without requiring any deed or instrument of conveyance for transfer of the same, subject to the provisions of this Scheme in relation to encumbrances in favour of banks and/or financial institutions.
- 4.3 Any and all movable properties of the Demerged Company relating to the Demerged Undertaking, other than those specified in Sub-Clause 4.2 above, including sundry debtors, 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 Government, semi-Government, local and other authorities and bodies, customers and other persons, the same shall on and from the Appointed Date stand transferred to and vested in the Resulting Company without any notice or other intimation to the debtors (although the Resulting Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Resulting Company).



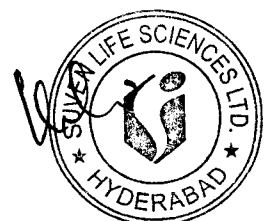
- 4.4 Without prejudice to the generality of the foregoing, all assets, estate, rights, title, interest investments (including but not limited to the branch office of Demerged Company in USA) and authorities held by the Demerged Company on the Appointed Date as regards the Demerged Undertaking, not otherwise specified in Clause 4.2 and Clause 4.3 above, shall also, without any further act, instrument or deed stand transferred to and vest in the Resulting Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 230-232 of the Act.
- 4.5 The immovable properties pertaining to Demerged Undertaking shall stand transferred to the Resulting Company automatically without requirement of execution of any further documents for registering the name of the Resulting Company as owner thereof and the regulatory authorities, including Sub-registrar of Assurances, Talati, Tehsildar etc. may rely on the Scheme along with the copy of the Order passed by the National Company Law Tribunal, to make necessary mutation entries and changes in the land or revenue records to reflect the name of the Resulting Company as owner of the immovable properties. For the purpose of vesting of immovable properties to the Resulting Company, the Demerged Company is hereby empowered/authorized to execute any documents/enter into any arrangements for and on behalf of the Resulting Company.
- 4.6 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions, registrations or approvals viz., United States Food and Drug Administration approvals or consents held by the Demerged Company required to carry on operations in the Demerged Undertaking shall stand vested in or transferred to the Resulting Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Resulting Company. The benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents shall vest in and become available to the Resulting Company pursuant to the Scheme. In so far as the various incentives, subsidies, rehabilitation Schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Demerged Company relating to the Demerged Undertaking, are concerned, the same shall vest with and be available to the Resulting Company on the same terms and conditions.



- 4.7 All the brands, trademarks of the Demerged Undertaking including registered and unregistered trademarks along with all the rights of commercial nature including attached title, goodwill, interest, labels and brand registrations, copyrights, and all such other industrial and intellectual property rights of whatsoever nature shall stand transferred to the Resulting Company by operation of law. The Resulting Company shall take such actions as may be necessary and permissible to get the same transferred and /or registered in the name of Resulting Company.
- 4.8 The transfer and vesting of Demerged Undertaking as aforesaid shall be subject to the existing securities, charges, mortgages and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof relating to Demerged Undertaking to the extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the Demerged Undertaking.
- 4.9 In relation to other assets belonging to Demerged Undertaking, which require separate documents for vesting in the Resulting Company, or which the Demerged Company and/or the Resulting Company otherwise desire to be vested separately, the Demerged Company and the Resulting Company each will execute such deeds, documents or such other instruments or writings or create evidence, if any, as may be necessary.
- 4.10 Any assets acquired by the Demerged Company after the Appointed Date but prior to the Effective Date pertaining to the Demerged Undertaking shall upon the coming into effect of this Scheme also without any further act, instrument or deed stand transferred to and vested in or be deemed to have been transferred to or vested in the Resulting Company upon the coming into effect of this Scheme.

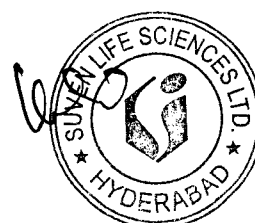
## 5. TRANSFER OF DEBTS AND LIABILITIES

- 5.1 With effect from the Appointed Date and upon the Scheme becoming effective:
- (a) All debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description, if any, attributable to the Demerged Undertaking ("**Demerged Undertaking Liabilities**") shall, without any further act or deed, be transferred to, or be deemed to be transferred to the Resulting Company so as to become from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations, if any, of the Resulting Company and the Resulting Company undertakes to meet, discharge and satisfy the same. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which

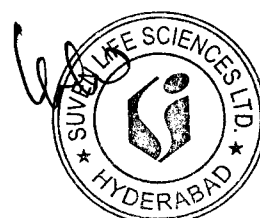


such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Sub-Clause.

- (b) Where any of the liabilities and obligations attributed to the Demerged Undertaking on the Appointed Date has been discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of the Resulting Company.
- 5.2 All loans raised and used, and liabilities incurred, if any, by the Demerged Company after the Appointed Date, but prior to the Effective Date, for the operations of the Demerged Undertaking shall be transferred to and discharged by the Resulting Company.
- 5.3 In so far as the existing encumbrances, if any, in respect of the Demerged Undertaking Liabilities are concerned, such encumbrances shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in the Demerged Undertaking which has been encumbered in respect of the Demerged Undertaking Liabilities as transferred to the Resulting Company pursuant to this Scheme. Provided that if any of the assets comprised in the Demerged Undertaking which are being transferred to the Resulting Company pursuant to this Scheme have not been Encumbered in respect of the Demerged Undertaking Liabilities, such assets shall remain unencumbered and the existing encumbrances referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.
- 5.4 For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the Remaining Business Undertaking are concerned, subject to Clause 5.3, the encumbrances, if any, over such assets relating to the Demerged Undertaking Liabilities shall, as and from the Effective Date without any further act, instrument or deed be released and discharged from the obligations and encumbrances relating to the same. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above. Further, in so far as the assets comprised in the Demerged Undertaking is concerned, the encumbrances over such assets relating to any loans, borrowings or other debts or debt securities which are not transferred pursuant to this Scheme (and which shall continue with the Demerged Company), shall without any further act or deed be released from such encumbrances and shall no longer be available as security in relation to such liabilities.



- 5.5 Without prejudice to the provisions of the foregoing clauses and upon the effectiveness of this Scheme, the Demerged Company and the Resulting Company shall execute any instrument(s) and/or document(s) and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.
- 5.6 All the loans, advances and other facilities sanctioned to the Demerged Company in relation to the Demerged Undertaking by its bankers and financial institutions prior to the Appointed Date, which are partly drawn or utilized shall be deemed to be the loans and advances sanctioned to the Resulting Company and the said loans and advances shall be drawn and utilized either partly or fully by the Demerged Company from the Appointed Date till the Effective Date.
- 5.7 Subject to provisions of sub-para 5.8 below, any contingent liability pertaining to the Demerged Undertaking as on the Appointed Date shall be assumed by the Resulting Company and accordingly, the contingent liabilities of Demerged Company, on any date after the Appointed Date shall be deemed to have been reduced to the extent of contingent liabilities taken over by the Resulting Company as aforesaid.
- 5.8 As regards any tax Liability arising in connection with Income Tax, Excise, Customs, VAT, Goods and Service Tax, etc. in relation to the Demerged Undertaking, the Resulting Company undertakes to settle the liability directly or reimburse to the Demerged Company, if discharged by the Demerged Company directly.
- It is hereby clarified that, for the purpose of this para 5.8, the term "Liability" shall include duty, penalty, interest or any amount paid on compensation.
- 5.9 It is expressly provided that, save as mentioned in this Clause 5, no other term or condition of the liabilities transferred to the Resulting Company as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- 5.10 The provisions of this Clause 5 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.





6. **ISSUE OF SHARES**

- 6.1 Upon this Scheme becoming effective and upon the demerger, transfer and vesting of the Demerged Undertaking of the Demerged Company in the Resulting Company, in terms of this Scheme, the Resulting Company shall, without any further application or deed, issue and allot equity shares credited as fully paid-up, to the extent indicated below, to the members of the Demerged Company, holding fully paid up equity shares in the Demerged Company and whose names appear in the Register of Members & in depositories of the Demerged Company on the Record Date or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as may be recognized by the Board of Directors of the Resulting Company in the following manner ("**Share Exchange Ratio**"):

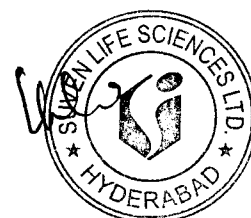
*Issue of shares of the Resulting Company to the Equity Shareholders of the Demerged Company:*

*"1 (One) fully paid up Equity Share of INR 1/- (Rupee One only) each of the Resulting Company shall be issued and allotted for every 1 (One) fully paid up equity share of INR 1/- (Rupee One only) each held in the Demerged Company"*

- 6.2 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of Directors of the Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Demerged Company, after the effectiveness of this Scheme.
- 6.3 The equity shares shall be issued in dematerialized form to those shareholders who hold shares of the Demerged Company in dematerialized form, into the account in which the Demerged Company shares are held or such other account as is intimated by the shareholders to the Demerged Company and / or its Registrar before the Record Date. All those shareholders who hold shares of the Demerged Company in physical form shall receive the equity shares in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to the Demerged Company and / or its Registrar before the Record Date.



- 6.4 The Board of Directors of the Resulting Company shall, if and to the extent required, apply for and obtain any approvals from concerned Government /Regulatory authorities and undertake necessary compliance for the issue and allotment of equity shares to the members of the Demerged Company pursuant to Clause 6.1 of the Scheme.
- 6.5 The shares issued by the Resulting Company pursuant to the provisions of Clause 6.1 above in lieu of the shares of the Demerged Company held in the unclaimed suspense account shall be issued to a new unclaimed suspense account created for shareholders of the Resulting Company.
- 6.6 The equity shares to be issued and allotted by the Resulting Company to the equity shareholders of the Demerged Company shall be subject to the Scheme and the Memorandum and Articles of Association of the Resulting Company.
- 6.7 The equity shares to be issued by the Resulting Company to the members of the Demerged Company pursuant to Clause 6.1 of this Scheme will be listed and/or admitted to trading in terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 read with other applicable laws / regulations on all the Stock Exchanges on which shares of the Demerged Company are listed on the Effective Date. The Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for compliance with the formalities of the said Stock Exchanges.
- 6.8 The equity shares of the Resulting Company allotted pursuant to the Scheme shall remain frozen in the depositories system till listing and trading permission is given by the Stock Exchange(s). There shall be no change in the shareholding pattern or control in the Resulting Company between the Record Date and the listing which may affect the status of approvals received from the Stock Exchange(s).
- 6.9 The Resulting Company shall, if and to the extent required to, apply for and obtain any approvals from the concerned regulatory authorities including the Reserve Bank of India, for the issue and allotment of equity shares by the Resulting Company to the non-resident equity shareholders of the Demerged Company, if any. The Resulting Company shall comply with the relevant and applicable rules and regulations including the provisions of Foreign Exchange Management Act, 1999, to enable the Resulting Company to issue and allot equity shares to the non-resident equity shareholders of the Demerged Company on the Record Date.



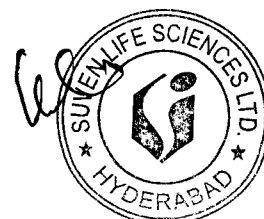
- 6.10 The approval of this Scheme by the shareholders of the Resulting Company shall be deemed to be the due compliance of the provisions of Section 42 read with 62 of the Companies Act, 2013, and the other relevant and applicable provisions of the Act for the issue and allotment of equity shares by the Resulting Company to the shareholders of the Demerged Company, as provided in this Scheme.

**7. TRANSFER OF AUTHORISED SHARE CAPITAL OF DEMERGED COMPANY TO RESULTING COMPANY**

- 7.1 Upon the Scheme being effective, the Authorized Share Capital of the Demerged Company amounting to INR 20,00,00,000/- (Rupees Twenty Crore only) comprising of 20,00,00,000 equity shares of INR 1/- each, shall be transferred to the Resulting Company without payment of any additional fees, duties and taxes as though the same has already been paid. The authorised share capital of the Resulting Company will automatically stand increased by the said amount, as on the Effective Date, without any further act or deed. The Stamp duty and fees paid on the authorised share capital of the Demerged Company shall be utilised and applied to the increased authorised share capital of the Resulting Company and there would be no requirement for any further payment of stamp duty and/ or fee and/ or taxes by the Resulting Company for increase in the authorised share capital to that extent.
- 7.2 The existing capital clause contained in the Memorandum of Association of Demerged Company shall without any act, instrument or deed be and stand altered, modified and amended pursuant to Sections 13, 61 and 64 of the Act and Section 232 and other applicable provisions of the Act, as set out below:

*Memorandum of Association*

*"The Authorized Share Capital of the Company is INR 20,00,00,000 (Rupees Twenty Crores only) divided into 20,00,00,000 Equity Shares of INR 1/- (Rupees One only) each. With the right to increase or reduce the share capital in accordance with the provisions of the Companies Act 2013. The company shall have powers, at any time and from time to time to increase or reduce capital. Any of the said shares and new shares may at any time and from time to time be divided in to shares of several classes in such manner as the articles of the company may prescribe and the shares of each class may confer such preferred or other special rights and privileges and impose such restrictions and conditions whether in regard to dividend, voting, return of capital or otherwise as may be prescribed in or under the articles of association."*



- 7.3 The existing capital clause contained in the Memorandum of Association of Resulting Company shall without any act, instrument or deed be and stand altered, modified and amended pursuant to Sections 13, 61 and 64 of the Act and Section 232 and other applicable provisions of the Act, as set out below:

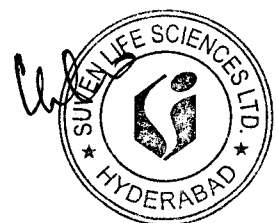
*Memorandum of Association*

*"The Authorized Share Capital of the Company is INR 20,10,00,000 (Rupees Twenty Crores Ten Lakhs only) divided into 20,10,00,000 Equity Shares of INR 1/- (Rupees One only) each with the right to increase or reduce the share capital in accordance with the provisions of the Companies Act 2013. The company shall have powers, at any time and from time to time to increase or reduce capital. Any of the said shares and new shares may at any time and from time to time be divided in to shares of several classes in such manner as the articles of the company may prescribe and the shares of each class may confer such preferred or other special rights and privileges and impose such restrictions and conditions whether in regard to dividend, voting, return of capital or otherwise as may be prescribed in or under the articles of association."*

- 7.4. The approval of this Scheme by the shareholders of the Demerged Company and Resulting Company shall be deemed to have the approval for the purpose of effecting the transfer of authorised share capital and no further resolutions would be required to be separately passed in this regard.

**8. REDUCTION OF SHARE CAPITAL HELD BY DEMERGED COMPANY IN THE RESULTING COMPANY**

- 8.1 Upon the Scheme becoming effective and upon the issue of shares by the Resulting Company in accordance with Clause 6.1 of the Scheme, the existing 1,00,000 equity shares of INR 1/- each of the Resulting Company held by the Demerged Company, as on the Effective Date, shall without any application or deed, stand cancelled without any payment.
- 8.2 The reduction of share capital of Resulting Company shall be effected as an integral part of this Scheme and Resulting Company shall not be required to follow the process under Section 66 of the Act or any other provisions of Applicable Law separately.



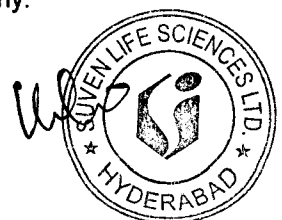
- 8.3 The reduction would not involve either a diminution of liability in respect of unpaid share capital, if any or payment to any shareholder of any unpaid share capital. Notwithstanding the reduction in the equity share capital of Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name.
- 8.4 The approval of this Scheme by the shareholders of the Resulting Company shall be deemed to have the approval for the purpose of effecting the capital reduction in the Resulting Company under Section 66 of the Act and other applicable provisions of the Act and no further resolutions would be required to be separately passed in this regard.
- 8.5 The application and reduction of Securities Premium Account of Demerged Company, as above, shall be effected as an integral part of this Scheme and Demerged Company shall not be required to follow the process under Section 66 of the Act or any other provisions of Applicable Law separately. 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. Notwithstanding the reduction in the Securities Premium Account of Demerged Company, the Demerged Company shall not be required to add "And Reduced" as suffix to its name. The approval of this Scheme by the shareholders of the Demerged Company shall be deemed to have the approval for the purpose of effecting the capital reduction in the Demerged Company under Section 66 of the Act and other applicable provisions of the Act and no further resolutions would be required to be separately passed in this regard.

## 9. **ACCOUNTING TREATMENT**

### **Accounting treatment in the books of the Demerged Company**

Upon the coming into effect of this Scheme and with effect from the Appointed Date:

- 9.1 The Demerged Company, as on the Appointed Date, shall reduce the book value of assets and liabilities pertaining to the Demerged Undertaking, transferred to and vested in the Resulting Company from the book value of assets and liabilities as appearing in its books.
- 9.2 The Securities Premium Account, General Reserve and Retained earnings of the Demerged Company, as on the Appointed Date, shall be apportioned between the Resulting Company and the Demerged Company on the basis of net assets transferred to the Resulting Company and net assets retained by the Demerged Company.

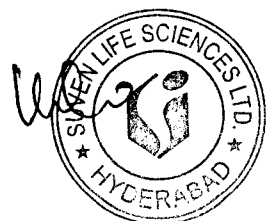


- 9.3 The difference, if any, between the net assets (difference between the book value of assets and liabilities as on the Appointed Date) and transfer of reserves as provided in clause 9.2 above along with any accounting adjustments, shall be adjusted against General Reserve of the Demerged Company.
- 9.4 Investments in the equity share capital of the Resulting Company will stand cancelled as per Clause 8.1 and be debited to the General Reserve of the Demerged Company.

**Accounting treatment in the books of the Resulting Company**

Upon the coming into effect of this Scheme and with effect from the Appointed Date:

- 9.5 The Demerger will be accounted in accordance with Indian Accounting Standard (Ind AS) 103 – Business Combination as notified under Section 133 of the Act read together with paragraph 3 of the Companies (Indian Accounting Standard) Rules, 2015.
- 9.6 The Resulting Company, as on the Appointed Date, shall record the assets and liabilities pertaining to the Demerged Undertaking, transferred to and vested in it pursuant to this Scheme at their respective book values, excluding revaluation, if any, as appearing in the books of the Demerged Company.
- 9.7 The Resulting Company shall record the Securities Premium Account, General Reserve, Retained earnings transferred to and vested in it pursuant to Clause 9.2 above.
- 9.8 Upon coming into effect of the Scheme, the shareholding of the Demerged Company in the Resulting Company shall be cancelled and the amount of such share capital, as stands cancelled, be credited to General Reserve.
- 9.9 The Resulting Company shall credit to its share capital in its books of account, the aggregate face value of the new equity shares issued by it to the members of the Demerged Company pursuant to Clause 6.1 of this Scheme.
- 9.10 The excess of assets over the liabilities of the Demerged Undertaking transferred to and vested in the Resulting Company after considering the treatment specified in Clause 9.7 and 9.8 above and after considering the issue of share capital by the Resulting Company in terms of Clause 6.1, would be adjusted against the General Reserve of the Resulting Company.



9.11 For any matter arising in connection with the accounting treatment, the same would be dealt in consultation with the Statutory Auditors of the Demerged Company and Resulting Company.

9.12 In case of any differences in accounting policy between the Demerged Company and the Resulting Company, the accounting policies, as may be directed by the Board of Directors of the Resulting Company in compliance with the Accounting Standards will prevail and the differences will be quantified and adjusted to ensure that the financial statements of the Resulting Company reflect the financial position on the basis of consistent accounting policy.

## 10. PROFITS, DIVIDEND

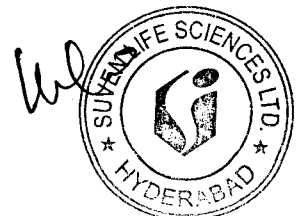
10.1 The Demerged Company and the Resulting Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date but only consistent with the past practice, or in the ordinary course.

10.2 The Boards of the Demerged Company and the Resulting Company or any of the committee(s) thereof, if any, shall take such actions as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause of the Scheme.

10.3 Upon the Scheme becoming effective, on and from the Appointed Date, the profits of the Demerged Undertaking shall belong to and be the profits of the Resulting Company and will be available to Resulting Company for being disposed of in any manner as it thinks fit.

10.4 Further, it is clarified that any dividends declared or paid by the Demerged Company to its shareholders or for any other purpose, on and from Appointed Date until the Effective Date, shall be out of the profits and cash generated by the Demerged Undertaking, with prior written consent of the Board of Directors of Resulting Company.

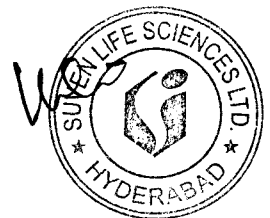
10.5 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of Demerged Company and/or Resulting Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the Board of Demerged Company and Resulting Company respectively, subject to such approval of the shareholders, as may be required.



**11. CONDUCT OF DEMERGED UNDERTAKING OF THE DEMERGED COMPANY TILL THE EFFECTIVE DATE**

With effect from the Appointed Date and upto and including the Effective Date:

- 11.1 The Demerged Company shall be deemed to have been carrying on and shall carry on its business and activities relating to the Demerged Undertaking and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets pertaining to the Demerged Undertaking for and on account of and in trust for the Resulting Company. The Demerged Company hereby undertakes to hold its said assets with utmost prudence until the Effective Date.
- 11.2 The Demerged Company shall carry on and be deemed to have carried on its business and activities relating to the Demerged Undertaking with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of the Resulting Company, alienate charge, mortgage, encumber or otherwise deal with or dispose of the Demerged Undertaking or part thereof.
- 11.3 The Demerged Company shall be entitled to use all entitlements, licenses, permissions, approvals, clearances, authorizations, consents, brands, trademarks, copyrights, patents, other intellectual property rights, registrations and no-objection certificates for the operations of the Demerged Undertaking or part thereof.
- 11.4 All the profits or income accruing or arising to the Demerged Company or expenditure or losses arising or incurred or suffered by the Demerged Company pertaining to the Demerged Undertaking shall for all purposes be treated and be deemed to be accrued as the income or profits or losses or expenditure as the case may be of the Resulting Company.
- 11.5 The Demerged Company shall not vary the terms and conditions of employment of any of the employees of the Demerged Company pertaining to the Demerged Undertaking except in the ordinary course of business or without the prior consent of the Resulting Company or pursuant to any pre-existing obligation undertaken by the Demerged Company, as the case may be, prior to the Appointed Date.





11.6 The Demerged Company shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which the Resulting Company may require to carry on the Demerged Undertaking of the Demerged Company.

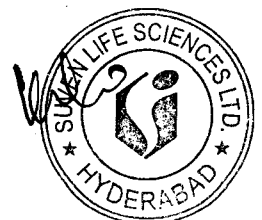
## 12. EMPLOYEES

12.1 On the Scheme becoming operative, all staff and employees of the Demerged Company pertaining to Demerged Undertaking in service on the Effective Date shall be deemed to have become staff and employees of the Resulting Company without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Resulting Company shall not be less favorable than those applicable to them with reference to their employment in the Demerged Company.

12.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund, Employee State Insurance Scheme or any other Special Fund or Trusts, if any, created or existing for the benefit of the staff and employees of the Demerged Company pertaining 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 Demerged Undertaking in relation to such Fund or Funds shall become those of the Resulting Company. It is clarified that the services of the staff and employees of the Demerged Company pertaining to Demerged Undertaking will be treated as having been continuous for the purpose of the said Fund or Funds.

## 13. LEGAL PROCEEDINGS

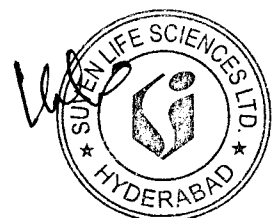
13.1 If any suit, appeal or other proceeding of whatever nature by or against the Demerged Company in relation to Demerged Undertaking is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Resulting Company, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Demerged Company in relation to Demerged Undertaking as if this Scheme had not been made.



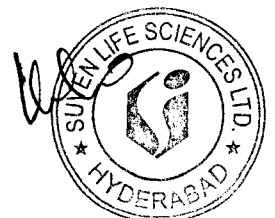
- 13.2 After the Appointed Date, if any proceedings are taken against the Demerged Company in respect of the matters referred to in the Clause 13.1 above, the Demerged Company shall defend the same at the cost of the Resulting Company and the Resulting Company shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by it in respect thereof and further reimburse all amounts including interest, penalties, damages, costs etc. which the Demerged Company may be called upon to pay or secure in respect of any liability or obligation relating to Demerged Undertaking.
- 13.3 The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company referred to in Clause 13.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company to the extent legally permissible after the Scheme being effective. To the extent such proceedings cannot be taken over by the Resulting Company, the proceedings shall be pursued by the Demerged Company for and on behalf of the Resulting Company as per the instructions of and entirely at the cost and expenses of the Resulting Company.
- 13.4 In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against the Demerged Company in relation to Demerged Undertaking including litigations, suits, recovery proceedings relating to excise duty and labour issues, the Resulting Company shall be made party thereto and any payment and expenses made thereto shall be the liability of the Resulting Company. Any other litigation, suit, recovery proceedings of excise duty or labour matters pertaining to Demerged Undertaking that may, arise after the Appointed Date, shall also stand transferred to the Resulting Company and no liability shall ever be vested in the Demerged Company.

#### **14. TREATMENT OF TAXES AND CONSEQUENTIAL MATTERS RELATING TO TAX**

- 14.1 This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under section 2(19AA) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section of the Income-tax Act, 1961 at a later date including resulting from an amendment of law or for any other reason whatsoever, the Scheme shall stand modified to the extent determined necessary to comply with section 2(19AA) of the Income-tax Act, 1961. Such modification will however not affect the other parts of the Scheme.



- 14.2 With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess payable by the Demerged Company relating to the Demerged Undertaking including all advance tax payments, tax deducted at source or any refunds / credit / claims relating thereto shall, for all purposes, be treated as advance tax payments, tax deducted at source or refunds / credit / claims, as the case may be, of the Resulting Company, provided however that any direct and indirect taxes that cannot specifically be earmarked as the liability or refunds / credit / claims relating to the Demerged Undertaking shall continue to be borne by the Demerged Company. It is specifically provided that if the Demerged Company or their successor(s) receives any refunds / credit / claims or incurs any liability in respect of the Demerged Undertaking, the same shall be on behalf of and as a trustee of the Resulting Company and the same shall be refunded to / paid by the Resulting Company.
- 14.3 With effect from the Appointed Date and upon the Scheme becoming effective, all unavailed credits and exemptions, margin money, retention money, deposit with statutory authorities, other deposits and benefit of carried forward losses and other statutory benefits, including in respect of income tax (including MAT credit remaining after utilization of the same by the Demerged Company), Cenvat, customs, VAT, sales tax, service tax, GST etc. relating to the Demerged Undertaking to which the Demerged Company is entitled to shall be available to and vest in the Resulting Company, without any further act or deed.
- 14.4 If the Demerged Company is entitled to any benefits under the incentive schemes and policies including deduction under Section 35(2AB) of the Income-tax Act, 1961 or concessions relating to the Demerged Undertaking under any tax laws or Applicable Laws, the Resulting Company shall be entitled as an integral part of the Scheme to claim such benefit or incentives or deductions as the case may be without any specific approval or permission.
- 14.5 Upon this Scheme becoming effective, the Demerged Company and the Resulting Company are permitted to revise and file their respective income tax returns, including tax deducted at source certificates, GST returns and other tax returns for the period commencing on and from the Appointed Date, and to claim refunds/ credits, pursuant to the provisions of this Scheme.
- 14.6 The Board of Directors of the Demerged Company shall be empowered to determine if any specific tax liability or any tax proceeding relates to the Demerged Undertaking and whether the same would be transferred to the Resulting Company.

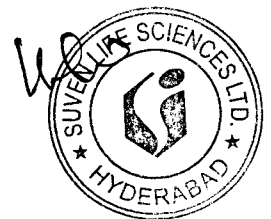


**15. CONTRACTS, DEEDS, ETC.**

- 15.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance, letters of intent, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature pertaining to Demerged Undertaking to which the Demerged Company is a party and which is subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of the Resulting Company and may be enforced by or against the Resulting Company as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party thereto.
- 15.2. The Resulting Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Demerged Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme. The Resulting Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Demerged Company for the Demerged Undertaking and to implement or carry out all formalities required to give effect to the provisions of this Scheme.

**16. REMAINING BUSINESS UNDERTAKING**

- 16.1. It is clarified that the Remaining Business Undertaking of the Demerged Company shall continue with the Demerged Company as follows:
- (a) The Remaining Business Undertaking of the Demerged Company and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company.
  - (b) All legal and other proceedings by or against the Demerged Company under any statute, whether pending and / or arising on or before the Appointed Date and relating to the Remaining Business Undertaking of the Demerged Company (including those relating to any property, investments, right, power, liability, obligation or duty, of the Demerged Company in respect of the Remaining Business Undertaking) shall be continued and enforced by or against the Demerged Company.

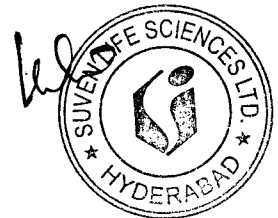


(c) With effect from the Appointed Date and including the Effective Date:

- i. The Demerged Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Business Undertaking for and on its own behalf;
- ii. All income or profit accruing to the Demerged Company or expenditure or losses arising or incurred by it relating to the Remaining Business Undertaking are and shall for all purposes, be treated as the income or profit or expenditure or losses, as the case may be, of the Demerged Company;

**17. SAVING OF CONCLUDED TRANSACTIONS**

- 17.1. The transfer of the Demerged Undertaking from the Demerged Company to the Resulting Company under Clause 4 above and the continuance of proceedings by or against the Resulting Company under Clause 13 above shall not affect any transaction or proceedings already concluded by the Demerged Company or after the Appointed Date till the Effective Date, to the end and intent that the Resulting Company accept and adopts all acts, deeds and things done and executed by the Demerged Company for the Demerged Undertaking in respect thereto as done and executed on behalf of itself.



## **PART C**

### **GENERAL TERMS AND CONDITIONS**

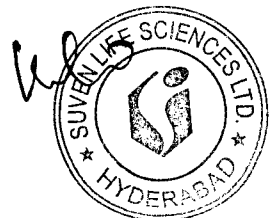
#### **18. SCHEME CONDITIONAL ON APPROVAL / SANCTIONS**

18.1. The Scheme is conditional upon subject to:

- a) Obtaining no-objection/ observation letter from the Stock Exchanges/ SEBI in relation to the Scheme;
- b) The Scheme being approved by requisite majorities of the members and/or creditors of the Demerged Company and the Resulting Company as may be directed by the National Company Law Tribunal;
- c) The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme;
- d) Approval of the Scheme by the National Company Law Tribunal;
- e) Certified copy of the order of the National Company Law Tribunal, sanctioning the Scheme being filed with the Registrar of Companies, Telangana.

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

18.3. If any part of this Scheme is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme, and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the Board of Directors of the Demerged Company and the Resulting Company involved in the Scheme shall attempt to bring about a modification in this Scheme, as will best preserve for the parties the benefits, and obligations of this Scheme, including but not limited to such part.

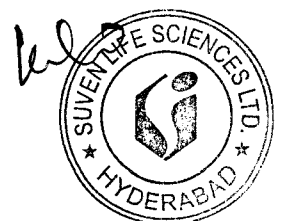


**19. APPLICATION TO THE NATIONAL COMPANY LAW TRIBUNAL**

- 19.1 The Demerged Company and the Resulting Company shall, with all reasonable dispatch, make a joint application to the National Company Law Tribunal, under Sections 230 to 232 read with section 66 of the Act and other applicable provisions of the Act, seeking orders for dispensing with or convening, holding and conducting of the meetings of the classes of their respective members and / or creditors and for sanctioning this Scheme, with such modifications as may be approved by the National Company Law Tribunal.
- 19.2 The Demerged Company and the Resulting Company shall be entitled, pending the effectiveness of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals, as agreed between the Demerged Company and the Resulting Company, which the Demerged Company and the Resulting Company may require to effect the transactions contemplated under the Scheme or carry on the Demerged Undertaking, in any case subject to the terms as may be mutually agreed between the Demerged Company and the Resulting Company.
- 19.3 Upon this Scheme becoming effective, the respective shareholders of the Demerged Company and the Resulting Company shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the provisions contained in this Scheme.

**20. MODIFICATIONS / AMENDMENTS TO THE SCHEME**

- 20.1 Subject to approval of National Company Law Tribunal, the Demerged Company and the Resulting Company by their respective Boards of Directors ("**the Board**", which term shall include Committee thereof), may assent to/make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the National Company Law Tribunal and/or any other Appropriate Authority under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate as a result of subsequent events or otherwise by them (i.e. the Board of Directors). The Demerged Company and the Resulting Company by their respective Board are authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whatsoever for carrying the Scheme, 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.



**21. EFFECT OF NON-RECEIPT OF APPROVALS/ SANCTIONS**

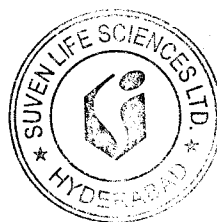
21.1 In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and/ or the Scheme not being sanctioned by the National Company Law Tribunal or such other Appropriate Authority and / or the Order not being passed as aforesaid within such period or periods as may be agreed upon between the Demerged Company and the Resulting Company by their Board of Directors, the Board of Directors of the Demerged Company and the Resulting Company are hereby empowered and authorized to agree to and extend the Scheme from time to time without any limitation, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

**22. COST, CHARGES, AND EXPENSES**

22.1. All costs, charges, fees, taxes including duties (including the stamp duty and/or transfer charges, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing the terms and conditions of this Scheme and matters incidental thereto shall be borne by the Resulting Company and the same shall be eligible for deduction of expenditure incurred as per section 35DD of the Income-tax Act, 1961.

For SUVEN LIFE SCIENCES LIMITED

  
K. HANUMANTHA RAO  
Company Secretary





**SCHEDULE 1**

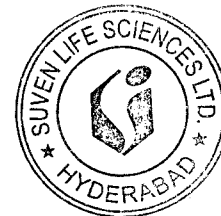
**DETAILS OF ASSETS AND LIABILITIES OF THE DEMERGED UNDERTAKING AS AT THE APPOINTED DATE**

Particulars	Amount (in lakhs)
<b>Assets</b>	
<u>Non-current assets</u>	
Property (Land & Buildings etc.), plant and equipment	27,532.12
Capital work-in-progress	5,869.68
Other intangible assets	265.42
<u>Financial assets</u>	
Investments	7.05
Loans	6.34
Other financial assets	609.00
Deferred tax assets (net)	-
Other non-current assets	3,384.33
<b>Total Non-current assets</b>	<b>37,673.94</b>
<u>Current assets</u>	
Inventories	14,000.91
<u>Financial assets</u>	
Investments	-
Trade receivables	6,261.06
Cash and cash equivalents	-
Bank balances other than above	-
Loans	14.78
Other financial assets	0.28
Current Tax Asset(net)	912.06
Other current assets	5,223.91
<b>Total Current assets</b>	<b>26,413.00</b>
<b>TOTAL ASSETS</b>	<b>64,086.94</b>
<b>Liabilities</b>	
<u>Non-current-liabilities</u>	
<u>Financial liabilities</u>	
Borrowings	24.64
Provisions	305.95
Deferred tax liabilities (net)	3,331.47



Other non-current liabilities	-
<b>Total Non-current financial liabilities</b>	<b>3,662.06</b>
<u>Current liabilities</u>	
<u>Financial liabilities</u>	
Borrowings	3,075.33
Trade payables	4,372.13
Other financial liabilities	3,173.09
Other current liabilities	919.53
Provisions	439.01
<b>Total current liabilities</b>	<b>11,979.09</b>
<b>TOTAL LIABILITIES</b>	<b>15,641.15</b>

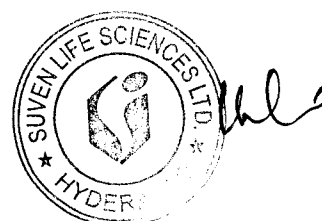
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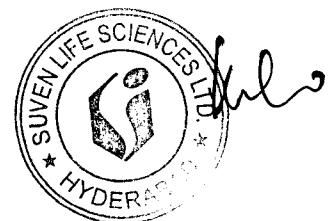
**SCHEDULE 2**

**Details of the Patent grants of the Demerged Undertaking**

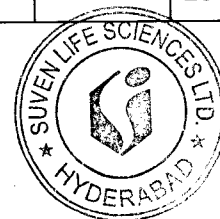
Sl. No	Title	PCT Application No & filing date	PCT Publication No & published date	Details of National Phase entered countries	Granted country name	Grant Number	Grant date	Expiry date
1	Improved process for the preparation of intermediates useful for the preparation of Zonisamide	PCT/IN03/00 0325 29-Sep-2003	WO/2005/030 738 07-Apr-2005	India	India	237648	31-12-2009	Not renewed, so lapsed
					<b>Total number of granted countries: 1</b>			
2	Improved Process for the preparation of Entacapone	PCT/IN03/00 0401 29-Dec-2003	WO/2005/063 63 14-Jul-2005	Canada, Australia, China, USA, Japan, Europe	Canada	2552099	07-07-2009	29-12-2023
					Australia	2003288 712	16-May-2011	29-12-2023
					China	CN1005 19517	29-Jul-2009	29-12-2023
					USA	7385072	10-06-2008	29-12-2023
					Japan	4550740	16-07-2010	29-12-2023
					Europe	1699753	26-11-2014	No validation hence lapsed
<b>Total number of granted countries: 5</b>								
3	Novel intermediates useful for the	PCT/IN04/00 0316 08-Oct-2004	WO/2006/038 220 13-Apr-2006	India, Canada, Australia,	India	261506	27-Jun-2014	08-10-2024
					Canada	2584789	23-	08-10-



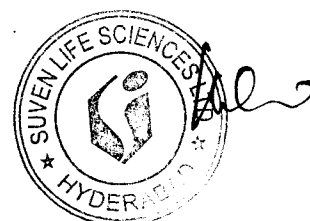
Sl. No	Title	PCT Application No & filing date	PCT Publication No & published date	Details of National Phase entered countries	Granted country name	Grant Number	Grant date	Expiry date
	preparation of Aripiprazole and methods for the preparation of the novel intermediates and Aripiprazole			China, New Zealand, USA, Europe, Japan, Eurasia, South Korea, Israel			Nov-2010	2024
Australia					2004323810	1-Mar-2012	08-10-2024	
China					CN101068789	15-12-2010	08-10-2024	
New Zealand					554731	28-04-2010	08-10-2024	
USA					7872132	18-Jan-2011	08-10-2024	
Europe (Validated in the following 4 countries: Italy, France, UK, Germany)					EP1812395	21-May-2008	08-10-2024	
Japan					4819818	09-09-2011	08-10-2024	
South Korea					1041551	08-Jun-2011	08-10-2024	
Eurasia (Validated in the following 9 countries: Azerbaijan, Armenia, Belarus, Kazakhstn,					12180	28-Aug-2009	08-10-2024	



Sl. No	Title	PCT Application No & filing date	PCT Publication No & published date	Details of National Phase entered countries	Granted country name	Grant Number	Grant date	Expiry date
					Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan)			
					Israel	182439	29-07-2011	08-10-2024
					<b>Total number of granted countries: 22</b>			
4	An Improved Process for the preparation of Losartan	PCT/IN05/00 0426 21- Dec-2005	WO/2007/020 654 22- Feb-2007	India, USA, South Korea	India	238064	20-01-2010	Not renewed, so lapsed
					USA	7923566	12-04-2011	21-12-2025
					South Korea	1250820	29-03-2013	21-12-2025
					<b>Total number of granted countries: 3</b>			
5	Process for the preparation of Losartan	PCT/IN05/00 0431 21- Dec-2005	WO/2007/026 375 8-Mar-2007	India, USA, South Korea	India	237665	04-01-2010	31-08-2025
					USA	US7915425	29-03-2011	21-12-2025
					South Korea	1050256	12-07-2011	21-12-2025
					<b>Total number of granted countries: 3</b>			
6	A process for the preparation of Z & E isomers of Entacapone	PCT/IN06/00 0143 25- Apr-2006	WO/2007/094 007 23-Aug- 2007	India	India	237290	14-Dec-2009	13-02-2026
					<b>Total number of granted countries: 1</b>			
7	Process for the	PCT/IN2008/ 000270 28-	WO/2009/007 998 15-	India, USA,	India	8138366	20-03-2012	28-04-2028



Sl. No	Title	PCT Application No & filing date	PCT Publication No & published date	Details of National Phase entered countries	Granted country name	Grant Number	Grant date	Expiry date
	preparation of Malathion and its intermediate O,O-dimethldithio phosphoric acid for pharmaceutical use	Apr-2008	Jan-2009	Europe	USA	2170078	26-03-2014	No validation hence lapsed
					Europe	281140	08-03-2017	09-07-2027
<b>Total number of granted countries: 2</b>								
8	Improved process for the preparation of Dorzolamide hydrochloride and preparation of its novel intermediate	PCT/IN2009/000228 06-Apr-2009	WO/2010/061398 03-Jun-2010	India	India	268270	24-08-2015	27-11-2028
<b>Total number of granted countries: 1</b>								
9	Improved Process for the preparation of Zolpidem and preparation of its novel intermediate	PCT/IN2008/000266 28-April-2008	WO/2009/007995 19-Mar-2009	India	India	288884	30-10-2017	09-07-2027
<b>Total number of granted countries: 1</b>								



Sl. No	Title	PCT Application No & filing date	PCT Publication No & published date	Details of National Phase entered countries	Granted country name	Grant Number	Grant date	Expiry date
10	Process for the preparation of Rosuvastatin Calcium and preparation of its novel intermediates	PCT/IN2013/000702 18-Nov-2013	WO/2015/008294 22-Jan-2015	USA, Japan, India, Europe	USA	9518028	13-12-2016	18-11-2033
					Japan	6114475	24-03-2017	18-11-2033
					Europe	3022213	21-06-2017	No validation, hence lapsed
					India	Under prosecution, examination report received, response to be filed 29-Nov-2018		16-07-2013
					<b>Total number of granted countries: 2</b>			
11	Process for the large scale production of 1H-[1,2,3]triazole and its intermediate 1-Benzyl-1H-[1,2,3]triazole	PCT/IN2014/000062 27-Jan-2014	WO/2015/037013 19-Mar-2015	USA, Japan, India, Europe	USA	9783506	10-10-2017	27-01-2034
					Japan	6216073	29-09-2017	27-01-2034
					Europe	3044212	29-11-2017	No validation, hence lapsed
					India	Under prosecution, examination report yet to be received		13-09-2033
					<b>Total number of granted countries: 2</b>			

*Note: All Patents are valid for 20 years in all National Phase entered countries from PCT filing date and in India, all Patents are valid for 20 years from Indian filing date (Priority date). "Patent term extension" up to five years is possible in USA, Europe, Japan, Australia, South Korea, Eurasia (Except Tajikistan) and Israel.*

