

# MYLAN LABORATORIES LIMITED

Registered Office: Plot No. 564/A/22, Road No. 92, Jubilee Hills,  
Hyderabad-500096, Telangana, India

Tel: +91-40-30866666, 67596666, Fax: 30866699

CIN: U24231TG1984PLC005146

Website: [www.viatris.com/en-in/lm/India](http://www.viatris.com/en-in/lm/India)

Email id: [mylan.india@mylan.in](mailto:mylan.india@mylan.in)

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Hon'ble National Company Law Tribunal, Hyderabad Bench at  
Hyderabad dated the 28th day of April 2023

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**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH AT HYDERABAD**

**C.A.(CAA) No.16/230/HDB/2023**

**In the matter of Sections 230-232 and other applicable provisions of the  
Companies Act, 2013 and the Rules framed thereunder**

**And**

**In the matter of Mylan Laboratories Limited  
("Demerged Company")**

**And**

**In the matter of Mylan Healthcare Private Limited  
("Resulting Company")**

**And**

**Their respective Shareholders**

**Mylan Laboratories Limited**

**CIN: U24231TG1984PLC005146**

**Having its registered office at**

**Plot No. 564/A/22, Road No.92,**

**Jubilee Hills, Hyderabad,**

**Telangana – 500096, India.**

**Represented by its Authorised Signatory,**

**Mr. B. Nagaraj Goud...the First Applicant Company/Demerged Company**

**NOTICE CONVENING MEETING OF THE UNSECURED CREDITORS OF  
MYLAN LABORATORIES LIMITED**

To

The Unsecured Creditors of

Mylan Laboratories Limited.

Take notice that by an order dated April 28, 2023 ("**Order**") in Company Application C.A.(CAA) No.16/230/HDB/2023, the Hon'ble National Company Law Tribunal, Hyderabad Bench has directed that a meeting of the Unsecured Creditors (as defined below in "Notes") of Mylan Laboratories Limited, to be held on Thursday, June 15, 2023 at 11:00 A.M. at the Hotel Park Hyatt, Road No.2, Banjara Hills, Hyderabad-500 034, India for the purpose of considering, and if thought fit, approving with or without modification(s), the Scheme of Arrangement between Mylan Laboratories Limited ("Demerged Company" or "First Applicant Company") and Mylan Healthcare Private Limited("Resulting Company" or "Second Applicant Company") and their respective Shareholders ("**Scheme**"). Take further notice that in pursuance of the said Order and as directed therein, a meeting of the Unsecured Creditors of First Applicant Company/Demerged Company, will be held on Thursday, June 15, 2023 and at said time and place you are requested to attend to consider and if thought fit, to approve with or without modification(s) the following resolutions:-

**“RESOLVED THAT** pursuant to Section 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 along with the related rules, circulars and notifications framed or issued thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), other applicable statutory regulations and enabling provisions in the Memorandum and Articles of Association of the Demerged Company, the Unsecured Creditors be and hereby grants their approval to the Scheme of Arrangement between the Demerged Company and the Resulting Company and their respective shareholders substantially in the form attached hereto as Exhibit -1, a copy of which was placed before the meeting for their approval (**“Scheme”**), and for demerger of Women Healthcare Business of the Demerged Company into the Resulting Company with effect from the Appointed Date, in accordance with the terms of the Scheme.

**RESOLVED FURTHER THAT** the Board of the Demerged Company be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution, the Scheme and the proposed demerger of the Demerged Undertaking and effectively implement arrangement/de-merger embodied in the Scheme and to undertake and accept any modifications, amendments, limitations and/or conditions, if any, which may be required in the wisdom of the Board and/or imposed by the Hon'ble National Company Law Tribunal, Hyderabad Bench or such other regulatory/statutory authorities, while sanctioning the arrangement/de-merger embodied in the Scheme or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme or for any other such reason, as the Board may deem fit and proper, without any additional approval of the Unsecured Creditors.”

Take further notice that you may attend and vote at the said meeting in person or by way of proxy, provided that a proxy form (in the prescribed manner) duly signed by you or your authorised representative (as the case may be), is deposited at the registered office of the Demerged Company at Plot No. 564/A/22, Road No.92, Jubilee Hills, Hyderabad, Telangana - 500096, India, not later than 48 (forty-eight) hours before the time fixed for the commencement of the meeting. Form of proxy is attached with this notice.

In case of body corporates, which are registered Unsecured Creditors of the First Applicant Company/Demerged Company, their authorised representative are duly authorised to attend and vote at the meeting, provided that the certified true copy of the resolution of such body corporate is deposited at the registered office of the Demerged Company at Plot No. 564/A/22, Road No.92, Jubilee Hills, Hyderabad, Telangana - 500096, India, not later than 48 (forty-eight) hours before the time fixed for the commencement of the meeting.

The Hon'ble National Company Law Tribunal, Hyderabad Bench at Hyderabad has appointed Mr. P. Vikram Chandra, Advocate to be the Chairman of the said meeting.

The Hon'ble National Company Law Tribunal, Hyderabad Bench at Hyderabad has appointed Mr. Mannem Srinivas Gowd, Advocate to be the Scrutinizer of the said meeting to scrutinize the voting process in a fair and transparent manner.

The Scheme, if approved in the meeting of Unsecured Creditors, will be subject to the subsequent approval of the Hon'ble National Company Law Tribunal, Hyderabad Bench at Hyderabad.

Copies of the Scheme and the explanatory statement under Section 230 read with Section 232 and other applicable provisions of the Companies Act, 2013 and Rules framed there under, form of proxy, attendance slip and other relevant and necessary documents, are enclosed herewith. The copy of this notice convening meeting of the Unsecured Creditors of the Demerged Company along with the aforesaid documents are also placed at the office of Mr. V.B.Raju, Advocate at Flat No.106, Dhanunjaya Towers, Road No.1, Banjara Hills, Hyderabad - 500 034, Telangana and can be obtained by the Unsecured Creditors free of charge, if required. Alternatively, Unsecured Creditors may request for an electronic/soft copy of the said documents by writing an email to the Demerged Company.

Dated this 9<sup>th</sup> day of May, 2023  
at Hyderabad.

(Sd/-)  
P. Vikram Chandra, Advocate  
Chairman Appointed for the Unsecured Creditors Meeting  
Address: H.No.12-1103/38, Srinivasa Nagar,  
Vijaya Garden Colony, GSI Bandlaguda, Nagole,  
Hyderabad - 500068.

**Notes:**

1. "Unsecured Creditors" of the Demerged Company include all names that appear in the Chartered Accountant's certificate certifying the list of unsecured creditors as on February 28, 2023 as has been filed with the NCLT.
2. An Unsecured Creditor entitled to attend and vote at the meeting is entitled to appoint proxy or proxies to attend and vote instead of himself/herself on a poll only and such proxy need not be an Unsecured Creditor of the Demerged Company. The proxy form in order to be effective must be deposited at the registered office of the Demerged Company not less than 48 (forty-eight) hours before the time fixed for the commencement of the meeting.
3. Any alteration made in the proxy form shall be initialed.
4. Only Unsecured Creditors of the Demerged Company may attend and vote (either in person or by proxy) or by authorised representative under Section 112 and 113 and other applicable provisions of Companies Act, 2013 at the meeting. The authorised representative of body corporate which is a registered Unsecured Creditor of the Demerged Company may attend and vote at the meeting provided that certified true copy of the resolution of the Board of Directors or other governing body of the body corporate under Section 113 of the Companies Act, 2013 authorizing such representative to attend and vote at the meeting is deposited at the registered office of the Demerged Company not later than 48 (forty-eight) hours before the time fixed for the commencement of the meeting. A person/entity who is not an Unsecured Creditor as on the date of the certificate mentioned in Note 1 above will not be entitled to vote and/or participate in the meeting.
5. The quorum of the meeting for the Unsecured Creditors of the Demerged Company shall be 20 (Twenty) Unsecured Creditors of the Demerged Company, present in person or by way of proxy.
6. The Unsecured Creditors or their proxies are requested to bring the attendance slip duly completed and signed for attending the meeting.
7. As directed by the Hon'ble NCLT, the notice, together with the documents accompanying the same, is being sent to all the Unsecured Creditors through the permitted mode(s) i.e. by ordinary post or speed post or courier service or electronically by e-mail.
8. The documents referred to in the accompanying explanatory statement shall be open for inspection by the Unsecured Creditors at the registered office of the Demerged Company between 10.00 A.M and 12.00 Noon on all days (except Saturdays, Sundays and public holidays) upto the date of meeting.
9. Pursuant to Rule 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the advertisement of the notice convening the aforesaid meeting and other relevant information will be published in the 'Business Standard' (English Daily) in English language and in the 'Nava Telangana' (Telugu Daily) in Regional language, news-papers. The Notice is also displayed on the website of the Company (<https://www.viatris.com/en-in/Im/India>).
10. Pursuant to Section 232 clause 2 of the Companies Act, 2013 the following information is being circulated for the meeting.
11. The Scheme of Arrangement adopted by the Board of Directors of the said Demerged Company is enclosed as Exhibit -1 to this notice.
12. In terms of Sections 230 and 232 of the Companies Act, 2013, Scheme shall be considered approved by the Unsecured Creditors of Demerged Company if the resolutions mentioned above in the Notice have been approved by a majority of persons representing three fourths in value of the Unsecured Creditors.

**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL,  
HYDERABAD BENCH AT HYDERABAD**

**C.A.(CAA) No.16/230/HDB/2023**

**In the matter of Sections 230-232 and other applicable provisions of the Companies Act, 2013  
and the Rules framed thereunder**

**And**

**In the matter of Mylan Laboratories Limited  
("Demerged Company")**

**And**

**In the matter of Mylan Healthcare Private Limited  
("Resulting Company")**

**And**

**Their respective Shareholders**

**Mylan Laboratories Limited**

**CIN: U24231TG1984PLC005146**

**Having its registered office at**

**Plot No. 564/A/22, Road No.92,**

**Jubilee Hills, Hyderabad,**

**Telangana – 500096, India.**

**Represented by its Authorised Signatory,**

**Mr. B. Nagaraj Goud...the First Applicant Company/Demerged Company**

**EXPLANATORY STATEMENT UNDER SECTION 102 READ WITH SECTION 230,232 AND OTHER APPLICABLE  
PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER**

In this statement Mylan Laboratories Limited is referred to as "Demerged Company" or "First Applicant Company" and Mylan Healthcare Private Limited is referred to as "Resulting Company" or "Second Applicant Company". The other definitions contained in the enclosed Scheme of Arrangement ("Scheme") will apply to this explanatory statement.

Notice of the meeting together with the copy of the Scheme which has been approved by the Board of Directors of the Company is sent herewith. The following statement as required under Sections 230 and 232 of the Companies Act, 2013 sets forth the details of the Scheme, its effects and any material interest of the directors and Key Managerial Personnel in their capacity as members.

- I. This is a statement accompanying the notice convening the meeting of the Unsecured Creditors of the Demerged Company, pursuant to the Order dated April 28, 2023 passed by the Hon'ble National Company Law Tribunal, Hyderabad Bench at Hyderabad in C.A.(CAA)No.16/230/HDB/2023 to be held on 15th June, 2023 at 11:00 A.M. at the Hotel Park Hyatt, Road No.2, Banjara Hills, Hyderabad-500 034, India for the purpose of considering and, if thought fit, approving with or without modifications, the Scheme of Arrangement between Mylan Laboratories Limited ("Demerged Company") and Mylan Healthcare Private Limited ("Resulting Company") and their respective shareholders ("Scheme") with effect from the Appointed date.

II. Background of the Companies involved in the Scheme are as under:

**Relationship between the Scheme entities:**

The Scheme is in relation to the proposed demerger between the Demerged Company and the Resulting Company. The Resulting Company is the wholly owned subsidiary of the Demerged Company.

**A. Background of First Applicant Company/Demerged Company:**

1. Mylan Laboratories Limited, (hereinafter referred to as “First Applicant Company” or “Demerged Company”) is a public limited company incorporated on November 29, 1984 under the provisions of Companies Act, 1956 in the State of Telangana vide Corporate Identity Number U24231TG1984PLC005146.
2. The First Applicant Company/Demerged Company has its registered office at Plot No. 564/A/22, Road No.92, Jubilee Hills, Hyderabad, Telangana – 500096, India.
3. The Main objects of the First Applicant Company/Demerged Company, as mentioned in its Memorandum of Association, are set out as under:-
  1. *“To manufacture, import, export, buy, sell, distribute, and deal in Bulk Drugs, Finished Drugs and Pharmaceuticals, Fine Pharmaceuticals, Chemicals, Fine Chemicals, Enzymes, Anti Tuberculosis Agents, Ayurvedic, Unani and Cosmetics.*
  2. *To establish laboratory facilities for the Company’s own purpose or other use.*
  3. *To do all kinds of consultancy services in Pharmaceuticals and carry on research, to do loan licensing manufacturing act as advisors for such of those industrial organisations, and research laboratories who may desire to utilize these services in Pharmaceuticals.*
  4. *To acquire or invent any secret formula know-how, manufacturing process and or design of plant equipment for the manufacture of Drugs, Pharmaceuticals, Chemicals, Food Products and install, erect the plant and run the plant for the Company’s use or handover transfer the unit the entrepreneur Industrialist or businessmen who has contracted with the company of the above services.”*

**4. NATURE OF BUSINESS**

The First Applicant Company/Demerged Company is engaged in the business of manufacture of Active Pharmaceutical Ingredients (“APIs”)/ bulk drugs, finished dosage formulations, injectables formulations, oral solid dosage and Women Healthcare Business (“WHC Business”) and related research and development activities.

5. The authorised, issued, subscribed and paid-up share capital of the First Applicant Company/Demerged Company as per the last audited balance sheet as on March 31, 2022 is as follows:

<b>Authorised Capital</b>	<b>Amount (INR)</b>
62,50,00,000 Equity Shares of INR 2 each	125,00,00,000
Total	125,00,00,000
<b>Issued, Subscribed and Paid-up Capital</b>	<b>Amount (INR)</b>
24,35,12,635 Equity Shares of INR 2 each fully paid-up	48,70,25,270
Total	48,70,25,270

Subsequent to the above date and till the date of filing of the Scheme, there has been no change in the authorised, issued, subscribed and paid up capital of the First Applicant Company/Demerged Company.

6. The Provisional Financial Statement of Mylan Laboratories Limited, First Applicant Company/ Demerged Company as at December 31, 2022 is given below:

**Mylan Laboratories Limited**  
**Balance sheet as at 31 December 2022 (Unaudited)**

₹ Million

Particulars	Note	As at 31 December 2022	As at 31 March 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		41,984.16	39,277.57
Right-of-use assets		2,965.42	3,234.92
Capital work-in-progress		6,985.37	6,091.19
Goodwill		1,311.93	1,311.93
Other intangible assets		14,741.98	19,611.94
<b>Financial assets</b>			
Investments	4.1	2.25	2.25
Other financial assets	4.6	897.31	1,271.91
Deferred tax assets (net)		-	1,696.20
Other non-current assets	5	2,629.02	1,899.43
Income tax assets (net)	6	3,317.58	3,275.73
<b>Total non-current assets</b>		<b>74,835.02</b>	<b>77,673.07</b>
<b>Current assets</b>			
Inventories	7	50,058.24	49,101.08
<b>Financial assets</b>			
Trade receivables	4.2	33,009.48	39,148.47
Cash and cash equivalents	4.3	266.98	372.93
Other bank balances	4.4	0.23	16.05
Loans	4.5	-	2,420.99
Other financial assets	4.6	229.14	1,889.60
Other current assets	5	6,282.55	6,270.96
<b>Total current assets</b>		<b>89,846.62</b>	<b>99,220.08</b>
<b>Total assets</b>		<b>1,64,681.62</b>	<b>1,76,893.15</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	8	487.03	487.03
Other equity		83,077.17	90,884.68
<b>Total equity</b>		<b>83,564.20</b>	<b>91,371.71</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	9.1	38,906.86	41,788.99
Lease liabilities		1,811.00	2,043.69
Other financial liabilities	9.3	107.67	84.00
Provisions	10	906.67	632.35
Other non-current liabilities	12	3,538.52	4,088.98
<b>Total non-current liabilities</b>		<b>45,270.72</b>	<b>48,638.01</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	9.1	2,482.05	9,473.59
Trade Payables	9.2		
Total outstanding dues of micro enterprises and small enterprises		171.06	20.92
Total outstanding dues of creditors other than micro enterprises and small enterprises		23,696.32	19,957.28
Lease liabilities		305.21	281.35
Other financial liabilities	9.3	5,416.17	3,083.84
Other current liabilities	12	1,476.96	1,881.28
Provisions	10	2,071.38	1,957.62
Income tax liabilities (net)	11	227.55	227.55
<b>Total current liabilities</b>		<b>35,846.70</b>	<b>36,883.43</b>
<b>Total equity and liabilities</b>		<b>1,64,681.62</b>	<b>1,76,893.15</b>

7. The present directors of the First Applicant Company/Demerged Company

S.No.	Name of the Directors	Address
1	Rakesh Bamzai	No.79/12, Tuisi Sunny Brooks, Sarjapur Road, Doddakannahalli, Bangalore Rural, Karnataka - 560035, India
2	Mohit Saraf	Farm No 2, Kapashera Village, Farm House, Delhi - 110037, India
3	Sarada Kalyani Bhagawati	H. No. 1-1-380/38, Ashok Nagar Extension, Hyderabad, Telangana - 500020, India
4	Rajiv Krishan Luthra	3/15, Shanti Niketan, New Delhi – 110021, India
5	Rajiv Malik	605, Grandview Drive, Gibsonia, PA 15044, USA

8. In view of the advantages mentioned in Part III below, the Board of Directors of Mylan Laboratories Limited/Demerged Company vide their resolution dated 07 April, 2023 approved the Scheme of Arrangement between Mylan Laboratories Limited (“Demerged Company”) and Mylan Healthcare Private Limited (“Resulting Company”) and their respective Shareholders.

9. The name of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution.

Sl.No.	Voted in favour	Voted Against	Absent
1	Rakesh Bamzai	NA	NA
2	Mohit Saraf	NA	NA
3	Sarada Kalyani Bhagawati	NA	NA
4	NA	NA	Rajiv Krishna Luthra
5	NA	NA	Rajiv Malik

10. None of the directors of the Demerged Company involved in the Scheme has any material interest in the said Scheme except as shareholders in general, the extent of which it will appear from the Register of directors's shareholding maintained by the companies involved in the Scheme.
11. None of the KMPs of the companies involved in the Scheme has any material interest in the said Scheme except as employees in general.
12. Copy of the resolution of the Board of Directors of the Demerged Company approving the Scheme dated 07 April, 2023, along with the report adopted by such Board in relation to the effect of the Scheme on the various stakeholders of the Demerged Company is available for inspection at the Registered Office of Demerged Company.

**B. Background of Second Applicant Company/Resulting Company:**

1. Mylan Healthcare Private Limited, (hereinafter referred to as "Second Applicant Company" or "Resulting Company") is a private limited company incorporated on March 31, 2023 under the provisions of the Companies Act, 2013 in the State of Telangana vide Corporate Identity Number U21001TS2023PTC171514.
2. The Second Applicant Company/Resulting Company has its registered office situated at Plot No. 564/A/22, Road No.92, Jubilee Hills, Hyderabad, Telangana – 500096, India.
3. The Main objects of the Second Applicant Company/Resulting Company, as mentioned in its Memorandum of Association, are set out as under:-
  1. "To manufacture, import, export, buy, sell, distributed and deal in bulk drugs, Finished drugs and Pharmaceuticals, Fine Pharmaceuticals, Chemicals, Fine Chemicals, Enzymes, Anti Tuberculosis Agents Ayurvedic, Unani and Cosmetics.
  2. To establish laboratory facilities for the Company's own purpose or other use.
  3. To do all kinds of consultancy services in Pharmaceuticals and carry on research, to do loan licensing manufacturing act as advisers for such of those Industrial organizations and research laboratories who may desire to utilize these services in Pharmaceuticals.
  4. To acquire or invent any secret formula know-how, Manufacturing process and or design of plant equipment for the Manufacture of Drugs, Pharmaceuticals, Chemicals, Food Product's and Install, erect the plant and run the plant for the Company's use or handover transfer the unit to the entrepreneur Industrialist or businessmen who has contracted with the company of the above services.
  5. To purchase, lease or otherwise acquire, establish, maintain, operate, run, manage or administer hospitals, medicare, nursing homes, health care, diagnostic, health aids, and research centers. To provide medical relief to the public in all branches of medical schemes by all available means."

4. The Resulting Company is not undertaking any business as on date.
5. The authorised, issued, subscribed and paid-up share capital of the Second Applicant Company/Resulting Company is as follows:

<b>Authorised Capital</b>	<b>Amount (INR)</b>
10,000 Equity Shares of INR 10 each	1,00,000
<b>Total</b>	<b>1,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	<b>Amount (INR)</b>
10,000 Equity Shares of INR 10 each fully paid-up	1,00,000
<b>Total</b>	<b>1,00,000</b>

Subsequent to the above date and till the date of filing of the Scheme, there has been no change in the authorised, issued, subscribed and paid up capital of the Second Applicant Company/Resulting Company.

6. The Resulting Company is a newly incorporated company, and no financial statements is availed for the Resulting Company as on date.
7. The Demerged Company is the promoter of the Resulting Company.
8. The present directors of the Second Applicant Company/Resulting Company

<b>S.No.</b>	<b>Name of the Directors</b>	<b>Address</b>
1	Udbhav Ganjoo	U24A-18, DLF Phase-3 Gurgaon- 122010, Haryana, India
2	Rajeev Mukundan	Villa No. 3, Subhishi Mist, Mokila, Shankarpally, Mokila, K.V. Rangareddy, Telangana – 501203, India
3	Ajay Singh Rathore	Flat No. 1302, Block A2, L and T South City Appt, Arekaree, Bannerghatta Road, Bengaluru, Karnataka – 560076, India

9. In view of the advantages mentioned in Part III below, the Board of Directors of the Resulting Company vide their resolution dated 07 April, 2023 approved the Scheme of Arrangement between the Demerged Company and Resulting Company and their respective Shareholders.
10. The name of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution.

Sl.No.	Voted in favour	Voted Against	Absent
1	Udbhav Ganjoo	NA	NA
2	Rajeev Mukundan	NA	NA
3	NA	NA	Ajay Singh Rathore

11. None of the directors of the Resulting Company involved in the Scheme has any material interest in the said Scheme except as shareholders in general, the extent of which it will appear from the Register of directors share-holding maintained by the companies involved in the Scheme.
12. None of the KMPs of the companies involved in the Scheme has any material interest in the said Scheme except as employees in general.
13. Copy of the resolution of the Board of Directors of the Resulting Company approving the Scheme dated 07 April, 2023, along with the report adopted by such Board in relation to the effect of the Scheme on the various stakeholders of the Resulting Company is available for inspection at the Registered Office of the Resulting Company.

### III. RATIONALE FOR THE PROPOSED SCHEME

This Scheme is broadly for the ease of doing business by the group companies by demerging the Women Healthcare Business Undertaking of the Demerged Company into the Resulting Company. The circumstances that have necessitated or justified the proposed Scheme of Arrangement and its main benefits are, inter alia, summarized as under:

- (i) The Demerged Undertaking is subject to different growth opportunities, future prospects and risks. The nature of risk and competition involved in these businesses are distinct. With an endeavor to enhance shareholders' value, it is proposed to reorganize and segregate the business of the Demerged Undertaking into the Resulting Company;
- (ii) The Demerger will enable the Demerged Company and Resulting Company to productively utilize their respective resources and achieve cost and operational efficiencies while creating a separate niche for each of the businesses. Further, this will enable them to pool financial and managerial resources to concentrate on their respective business activities;

- (iii) The Demerger will segregate the businesses with different profiles between the legal entities, thereby creating an enhanced value for the shareholders and allowing focused strategy and specialization for sustained growth, which would be in the best interest of the shareholders;
- (iv) The Demerged Undertaking will enable the Resulting Company to explore new opportunities in its business and to further concentrate its resources towards development and management of the Demerged Undertaking;
- (v) The Demerger will enable the Demerged Company to focus on the Remaining Undertakings from a long-term perspective by streamlining operations and cutting costs, thereby ensuring more efficient management control;
- (vi) This Scheme will also provide flexibility to rope in strategic investors for the Demerged Undertaking and the Remaining Undertakings, which best suit their investment strategies and risk profile; and
- (vii) The Demerger will allow the shareholders of the Demerged Company to unlock their value to the extent it relates to the Demerged Undertaking.

The Scheme is in the best interests of the shareholders, employees and creditors of each of the Applicant Companies involved in the Scheme.

The Creditors are requested to read the entire text of the Scheme to get acquainted with the provisions thereof.

- IV. The effectiveness of the Scheme is subject to the approval by the Hon'ble National Company Law Tribunal at Hyderabad and / or such other appropriate authorities as identified in the Scheme and as may be necessary under the applicable law.
- V. In consideration of the transfer and vesting of the Women Healthcare Business Undertaking of Demerged Company into the Resulting Company pursuant to the Scheme, the Resulting Company shall allot 2 fully paid-up Equity Shares of INR 10 (Rupees Ten Only) of the Resulting Company for 487 Equity Shares of INR 2 (Rupees Two Only) held on the Record Date by the shareholders in the Demerged Company.
- VI. The Scheme does not affect the rights of the creditors of the Demerged Company and Resulting Company. There will not be any reduction in amounts payable to the creditors of the Demerged Company post sanctioning the Scheme.
- VII. The Board of the Demerged Company and Resulting Company are of the view that the rights and obligations of each of the equity shareholders of the Demerged Company and Resulting Company are not impacted in any way post sanctioning of the Scheme.
- VIII. The employees of the Demerged Company in service shall deem to have become the employees of the Resulting Company without interruption in their service. Further the terms and conditions of their employment with the Resulting Company shall not be less favourable than those applicable to them with reference to their employment with the Demerged Company.
- IX. The amount due to Unsecured Creditors of the Demerged Company as on Feb 28, 2023 is INR 59,58,15,34,890/-.

- X. The Scheme would not be prejudicial to the interest of shareholders or creditors, if any, of either of the companies. There is no likelihood that any unsecured creditor of either of the companies would lose or be prejudiced as a result of Scheme being passed nor are their rights sought to be modified in any manner. Hence, the Scheme will not cast any additional burden on the shareholders or creditors of the Demerged Company or Resulting Company nor it will effect the interest of any of the shareholders or creditors as post arrangement.
- XI. As on date there are no proceedings/investigation pending against the Demerged Company and Resulting Company under the Companies Act, 2013.
- XII. As required by the NCLT Order, the notice of the proposed meeting and the Scheme of Arrangement shall be filed with the Registrar of Companies, Regional Director, the Income Tax Authorities, Reserve Bank of India and Department of Pharmaceuticals, and the representation if any to the Scheme shall be made within 30 days of receipt of such notice.
- XIII. A copy of the Scheme setting out the terms and conditions of the Arrangement of Demerged Company and the Resulting Company and their respective shareholders as approved by the Board of Directors of the respective companies in their respective Board meetings is enclosed herewith.
- XIV. The proposed Scheme of Arrangement is in the best interests of the Demerged Company and Resulting Company and their respective shareholders and creditors.
- XV. A copy of this notice along with the Scheme has been filed with the Registrar of Companies, Telangana online in E-Form GNL-1.
- XVI. Copy of the Scheme and of this notice and explanatory statement, may be obtained free of charge during ordinary business hours on all working days except Saturdays, Sundays and public holidays from the registered office of the Demerged Company.
- XVII. Copies of the following documents for obtaining extract from or for making or obtaining copies of or for inspection are available at the registered office of the First Applicant Company/Demerged Company between 10.00 A.M. and 12.00 Noon on all days (except Saturdays, Sundays and public holidays) upto the date of the meeting:
- a) Memorandum and Articles of Association of the First Applicant Company/Demerged Company.
  - b) Latest audited financial statements of the First Applicant Company/Demerged Company as on March 31, 2022.
  - c) Latest provisional financial statement of accounts of the First Applicant Company/Demerged Company as on December 31, 2022.
  - d) Copy of the order of the Hon'ble National Company Law Tribunal, Hyderabad Bench dated April 28, 2023.
  - e) Copy of the Scheme of Arrangement between Mylan Laboratories Limited ("Demerged Company") and Mylan Healthcare Private Limited ("Resulting Company") and their respective Shareholders as applicable.
  - f) Copy of the contracts or Arrangements material to the Scheme.
  - g) Copy of the certificate issued by the statutory auditor of the Demerged Company, Deloitte Haskins & Sells, Chartered Accountants, that the accounting treatment proposed in the Scheme is in conformity with the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013.

- h) Copy of the Share Entitlement Ratio Report obtained from PwC Business Consulting Services LLP, Registered Valuer.
- i) Register of Directors, shareholdings of Directors and members of the Demerged Company.
- j) Copy of Board Resolution of the Demerged Company approving the Scheme along with report adopted by Board in relation to the effect of the Scheme on various stakeholders.
- k) Copy of Board Resolution of the Resulting Company approving the Scheme along with report adopted by Board in relation to the effect of the Scheme on various stakeholders.

Dated this 9th day of May, 2023  
at Hyderabad

(Sd/-)  
P. Vikram Chandra, Advocate  
Chairman Appointed for the Unsecured Creditors Meeting  
Address: H.No.12-1103/38, Srinivasa Nagar, Vijaya Garden  
Colony, GSI Bandlaguda, Nagole, Hyderabad - 500068

**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL,  
HYDERABAD BENCH: AT HYDERABAD**

**C.A.(CAA) No.16/230/HDB/2023**

**In the matter of Sections 230-232 and other applicable provisions of the Companies  
Act, 2013 and the Rules framed thereunder**

**And  
In the matter of Mylan Laboratories Limited  
("Demerged Company")  
And  
In the matter of Mylan Healthcare Private Limited  
("Resulting Company")  
And  
Their respective Shareholders**

**Mylan Laboratories Limited  
CIN: U24231TG1984PLC005146  
Having its registered office at  
Plot No. 564/A/22, Road No.92,  
Jubilee Hills, Hyderabad,  
Telangana – 500096, India.  
Represented by its Authorised Signatory,  
Mr. B. Nagaraj Goud...the First Applicant Company/Demerged Company**

**Form No.MGT-11  
Proxy Form**

(Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19(3) of the Companies(Management and Administration) Rules, 2014

CIN: U24231TG1984PLC005146

Name of the company: Mylan Laboratories Limited

Registered office: Plot No.564/A/22, Road No.92, Jubilee Hills, Hyderabad, Telangana 500096, India

Name of the Unsecured Creditor(s): [Insert name]

Registered Address: [Insert complete address]

E-mail ID: [Insert E-mail ID]

I/We, [Insert name] being the Unsecured Creditor/s of the above-named company hereby appoint the following:

[Insert name]

[Insert address]

[Insert E-mail ID]

[Append signature]

as my /our Proxy, to attend and vote on a poll for me / us and on my/our behalf at the meeting of the Unsecured Creditor of the First Applicant Company/Demerged Company convened pursuant to the order of the Hon'ble National Company Law Tribunal, Hyderabad Bench, to be held at the Hotel Park Hyatt, Road No.2, Banjara Hills, Hyderabad-500 034, India on Thursday, June 15, 2023 at 11:00 A.M. for the purpose of considering and if thought fit, approving with or without modification(s), the proposed Scheme of Arrangement between Mylan Laboratories Limited ("Demerged Company") and Mylan Healthcare Private Limited ("Resulting Company") and their respective Shareholders and at such meeting and any adjournment/s thereof, to vote for me/us and in my/our name \_\_\_\_\_ (herein if for insert 'For', if against, insert 'Against') the Scheme of Arrangement between Mylan Laboratories Limited ("Demerged Company") and Mylan Healthcare Private Limited ("Resulting Company") and theirrespective Shareholders with or without modification(s) as my/our proxy may approve.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2023

Name:

Address:

Signature of Unsecured Creditor(s):

Amount due:

(Strike whichever is not applicable)

**Notes:**

1. This form of proxy in order to be effective must be completed and deposited at the registered office of the First Applicant Company/Demerged Company, Plot No. 564/A/22, Road No.92, Jubilee Hills, Hyderabad, Telangana - 500096, India at least 48 (forty-eight) hours before the time fixed for the commencement of the meeting. The proxy need not be an Unsecured Creditor of the Demerged Company.
2. Any alternations made in the form of proxy should be initialed.

**ATTENDANCE SLIP**  
**MEETING OF THE UNSECURED CREDITORS OF THE COMPANY CONVENED PURSUANT TO**  
**THE ORDER OF THE HON'BLE**  
**NATIONAL COMPANY LAW TRIBUNAL, HYDERABAD BENCH**

Name and Address of the Unsecured Creditors/ Proxy Holder/Authorised

Representative: \_\_\_\_\_

Amount due as on \_\_\_\_\_

I/We certify that I/We am/are Unsecured Creditor/Proxy/Authorised Representative for Unsecured Creditor of the Demerged Company. I / We hereby record my / our presence at the meeting of Unsecured Creditor of the Demerged Company convened pursuant to the order of the Hon'ble National Company Law Tribunal, Hyderabad Bench held at the Hotel Park Hyatt, Road No.2, Banjara Hills, Hyderabad-500 034, India on Thursday, June 15, 2023 at 11:00 A.M.

\* Strike out what is not applicable

\_\_\_\_\_  
Unsecured Creditor's / Proxy's/Authorised Representative's Name

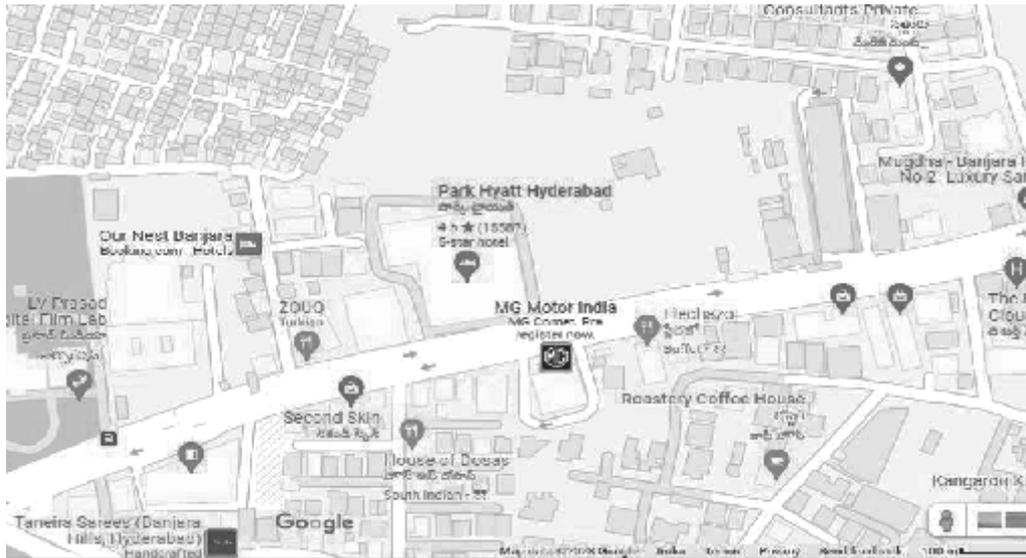
\_\_\_\_\_  
Unsecured Creditor's / Proxy's/Authorised Representative's Signature

**Note:**

Please fill in this attendance slip and handover at the entrance of the hall of the meeting venue.

In case of proprietorship/partnership/individuals-please carry your identity proof at the meeting venue.

# Route Map for the Venue of the Meeting



**SCHEME OF ARRANGEMENT  
BETWEEN  
MYLAN LABORATORIES LIMITED  
("Demerged Company")  
AND  
MYLAN HEALTHCARE PRIVATE LIMITED  
("Resulting Company")  
AND  
THEIR RESPECTIVE SHAREHOLDERS**

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

**I. PREAMBLE**

This Scheme of Arrangement (hereinafter referred to as "Scheme") is presented pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 and the rules made thereunder (to the extent applicable) for the Demerger (as defined hereinafter) of the Demerged Undertaking (as defined hereinafter) of Mylan Laboratories Limited ("Demerged Company" or "MLL") into Mylan Healthcare Private Limited ("Resulting Company" or "MHPL") on a going concern basis. This Scheme also provides for various other matters consequential, supplemental or otherwise integrally connected therewith and incidental thereto. The Demerged Company and the Resulting Company are hereinafter collectively referred to as the "Companies".

**II. DESCRIPTION OF COMPANIES**

**1. Demerged Company - Mylan Laboratories Limited**

- (i) MLL (E-mail id: nagaraj.bodige@viatris.com), (PAN: AADCM3491M) is a public limited company incorporated on November 29, 1984 under the provisions of the Companies Act, 1956 in the State of Telangana vide Corporate Identity Number U24231TG1984PLC005146. MLL has its registered office situated at Plot No. 564/A/22, Road No.92, Jubilee Hills, Hyderabad, Telangana – 500096, India.
- (ii) The Demerged Company is engaged, inter-alia, in the business of manufacture of Active Pharmaceutical Ingredients ("APIs")/ bulk drugs, finished dosage formulations, injectables formulations, oral solid dosage and Women Healthcare Business ("WHC Business") and related research and development activities.

**2. Resulting Company – Mylan Healthcare Private Limited**

- (i) MHPL (E-mail id: rajeev.mukundan@viatris.com), (PAN: AAQCM6961P) is a private limited company incorporated on 31 March, 2023 under the provisions of the Companies Act, 2013 in the State of Telangana vide Corporate Identity Number U21001TS2023PTC171514. MHPL has its registered office situated at Plot No. 564/A/22, Road No.92, Jubilee Hills, Hyderabad, Telangana – 500096, India.

The Demerged Company and the Resulting Company, upon completion of the Demerger and allotment of shares, will be controlled by common shareholders.

### III. OBJECTIVES/ RATIONALE OF THE SCHEME

- (i) This Scheme is broadly for the ease of doing businesses by the Companies by Demerger of the Demerged Undertaking (as defined hereinafter) of MLL into MHPL. The circumstances that have necessitated or justified the Scheme and its main benefits are, inter alia, summarized as under:

The Demerged Undertaking is subject to different growth opportunities, future prospects and risks. The nature of risk and competition involved in these businesses are distinct. With an endeavor to enhance shareholders' value, it is proposed to reorganize and segregate the business of the Demerged Undertaking into the Resulting Company;

- (ii) The Demerger will enable the Demerged Company and Resulting Company to productively utilize their respective resources and achieve cost and operational efficiencies while creating a separate niche for each of the businesses. Further, this will enable them to pool financial and managerial resources to concentrate on their respective business activities;
- (iii) The Demerger will segregate the businesses with different profiles between the legal entities, thereby creating an enhanced value for the shareholders and allowing focused strategy and specialization for sustained growth, which would be in the best interest of the shareholders;
- (iv) The Demerged Undertaking will enable the Resulting Company to explore new opportunities in its business and to further concentrate its resources towards development and management of the Demerged Undertaking;
- (v) The Demerger will enable the Demerged Company to focus on the Remaining Undertakings from a long-term perspective by streamlining operations and cutting costs, thereby ensuring more efficient management control;
- (vi) This Scheme will also provide flexibility to rope in strategic investors for the Demerged Undertaking and the Remaining Undertakings, which best suit their investment strategies and risk profile; and
- (vii) The Demerger will allow the shareholders of the Demerged Company to unlock their value to the extent it relates to the Demerged Undertaking.

In view of the aforesaid, the Board of Directors of the Demerged Company and the Resulting Company have formulated this Scheme for the Demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013.

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

### IV. PARTS OF THE SCHEME

The Scheme is divided into the following parts:

- (i) PART A - Deals with the definitions and interpretation of terms used in this Scheme, the share capital of the Demerged Company and Resulting Company and Effective Date of the Scheme.
- (ii) PART B - Deals with mechanics of the Demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company.
- (iii) PART C – Deals with the accounting treatment for the Demerger in the books of the Demerged Company and the Resulting Company.

- (iv) PART D – Deals with cancellation of Equity Share capital of the Resulting Company resulting in reduction of Equity Share capital of the Resulting Company.
- (v) PART E - Deals with general terms and conditions applicable to this Scheme and other matters consequential and integrally connected thereto.

## **PART A**

### **PRELIMINARY, DEFINITIONS, INTERPRETATION, SHARE CAPITAL AND EFFECTIVE DATE**

#### **1. PRELIMINARY**

1.1. The Demerged Company is engaged, inter-alia, in the business of manufacture of APIs/ bulk drugs, finished dosage formulations, injectables formulations, oral solid dosage and WHC Business and related research and development activities. The main objects are set out in the Memorandum of Association of the Demerged Company as under:

- “1. To manufacture, import, export, buy, sell, distribute, and deal in Bulk Drugs, Finished Drugs and Pharmaceuticals, Fine Pharmaceuticals, Chemicals, Fine Chemicals, Enzymes, Anti Tuberculosis Agents, Ayurvedic, Unani and Cosmetics.
- 2. To establish laboratory facilities for the Company’s own purpose or other use.
- 3. To do all kinds of consultancy services in Pharmaceuticals and carry on research, to do loan licensing manufacturing act as advisors for such of those industrial organisations, and research laboratories who may desire to utilize these services in Pharmaceuticals.
- 4. To acquire or invent any secret formula know-how, manufacturing process and or design of plant equipment for the manufacture of Drugs, Pharmaceuticals, Chemicals, Food Products and install, erect the plant and run the plant for the Company’s use or handover transfer the unit the entrepreneur Industrialist or businessmen who has contracted with the company of the above services.”

1.2. The main objects are set out in the Memorandum of Association of the Resulting Company as under:

- 1. “To manufacture, import, export, buy, sell, distributed and deal in bulk drugs, Finished drugs and Pharmaceuticals, Fine Pharmaceuticals, Chemicals, Fine Chemicals, Enzymes, Anti Tuberculosis Agents Ayurvedic, Unani and Cosmetics.
- 2. To establish laboratory facilities for the Company’s own purpose or other use.
- 3. To do all kinds of consultancy services in Pharmaceuticals and carry on research, to do loan licensing manufacturing act as advisors for such of those Industrial organizations and research laboratories who may desire to utilize these services in Pharmaceuticals.

4. To acquire or invent any secret formula know-how, Manufacturing process and or design of plant equipment for the Manufacture of Drugs, Pharmaceuticals, Chemicals, Food Product's and Install, erect the plant and run the plant for the Company's use or handover transfer the unit to the entrepreneur Industrialist or businessmen who has contracted with the company of the above services.
5. To purchase, lease or otherwise acquire, establish, maintain, operate, run, manage or administer hospitals, medicare, nursing homes, health care, diagnostic, health aids, and research centers. To provide medical relief to the public in all branches of medical schemes by all available means.”

1.3. The present directors of the Demerged Company are as follows:

S.No.	Name of the Directors	Address
1	Rakesh Bamzai	No.79/12, Tuisi Sunny Brooks, Sarjapur Road, Doddakannahalli, Bangalore Rural, Karnataka - 560035, India
2	Mohit Saraf	Farm No 2, Kapashera Village, Farm House, Delhi - 110037, India
3	Sarada Kalyani Bhagawati	H. No. 1-1-380/38, Ashok Nagar Extension, Hyderabad, Telangana - 500020, India
4	Rajiv Krishan Luthra	3/15, Shanti Niketan, New Delhi – 110021, India
5	Rajiv Malik	605, Grandview Drive, Gibsonia, PA 15044, USA

1.4. The present directors of the Resulting Company are as follows:

S.No.	Name of the Directors	Address
1	Udbhav Ganjoo	U24A-18, DLF Phase-3 Gurgaon- 122010, Haryana, India
2	Rajeev Mukundan	Villa No. 3, Subhishi Mist, Mokila, Shankarpally, Mokila, K.V. Rangareddy, Telangana – 501203, India
3	Ajay Singh Rathore	Flat No. 1302, Block A2, L and T South City Appt, Arekaree, Bannerghatta Road, Bengaluru, Karnataka – 560076, India

- 1.5. The Scheme does not affect the rights of the creditors of any of the Demerged Company and the Resulting Company. There will not be any reduction in amounts payable to any of the creditors of the Demerged Company and the Resulting Company, post Scheme becoming effective.
- 1.6. The Board of Directors of the Demerged Company and the Resulting Company are of the view that the rights and obligations of each of the shareholders of the Demerged Company and the Resulting Company respectively are not impacted in any way post Scheme becoming effective.
- 1.7. The Employees (as defined hereinafter) of the Demerged Undertaking in service, as on the Effective Date (as defined hereinafter), shall be deemed to have become the Employees of the Resulting Company without interruption in their service, as detailed in Clause 10 of the Scheme. Further, the terms and conditions of their employment with the Resulting Company shall not be less favourable than those applicable to them with reference to their employment with the Demerged Company.
- 1.8. There are no proceedings/investigations pending against the Demerged Company or the Resulting Company under Sections 210 to 217, 219, 220, 223, 224, 225, 226 & 227 of the Companies Act, 2013.

## **2. DEFINITIONS AND INTERPRETATIONS**

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

- 2.1. "Act" or "the Act" means the Companies Act, 2013, and the rules made thereunder and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force.
- 2.2. "Appointed Date" means the same date as the Effective Date or such other date as may be determined by the Board of Directors of the Demerged Company or approved by the National Company Law Tribunal, Hyderabad Bench or any other Appropriate Authority.
- 2.3. "Appropriate Authority" means any government, statutory, regulatory, departmental or public body or authority of the jurisdiction over the Demerged Company and the Resulting Company, including Regional Director, Registrar of Companies and the National Company Law Tribunal, Hyderabad Bench.
- 2.4. "Board of Directors" or "Boards" in relation to the Demerged Company and the Resulting Company, as the case may be, shall mean the Board of Directors of such company and shall include any committee duly constituted and authorised for the purpose of matters pertaining to the Demerger, the Scheme or any other matter relating thereto.
- 2.5. "Demerged Company" shall have the meaning ascribed to it in Clause II(1) of Description of Companies above.
- 2.6. "Demerged Undertaking" shall mean the undertaking of the demerged business of the WHC division of the Demerged Company, which shall be demerged into the Resulting Company. Without prejudice and limitation to the generality of the above, Demerged Undertaking shall mean and include:

- (i) any and all of its assets and properties of every kind, nature and description, present or future (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise), including without limitation all lands, buildings, plant and machinery, office equipment, capital work in progress, furniture and fixtures, books and records, raw materials, formulations, drug intermediates, tools, stock in trade and inventory pertaining to the manufacturing facilities located at Ahmedabad and Sarigam and all other immovable properties listed in Schedule – 1, along with all documents of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest, benefits and interests of rental agreements for lease or license or other rights to use of premises in connection with the said assets and properties, in each case relating to the WHC division;
- (ii) all product registrations (including applications and authorisations for product registrations), import permits, Marketing Authorisations (“MAs”), Abbreviated New Drug Application (“ANDAs”), including experience, pre-qualification, submissions, permits and licences (including industrial licences, municipal permissions, approvals consent and other licences), in each case relating to the WHC division;
- (iii) all other assets whether movable or immovable, current or future, contingent, tangible or Intangible Assets, in possession or not, corporeal or incorporeal, including all rights, titles, interests, covenants, undertakings (including continuing rights, titles and interests) in connection with the properties whether corporeal or incorporeal, leasehold or otherwise, funds, cash and bank balances, including interests accrued, benefits of guarantees, benefit of insurance together with all liabilities provided and accounted in the books of the Demerged Company and debt pertaining thereto, of the Demerged Company, in each case that are used in the WHC division;
- (iv) all contracts, agreements, deeds, arrangements, letters of intent, purchase orders/ service orders, commitments, whether written or oral or otherwise, in each case used in connection with or in relation to the WHC division and securities deposits relating to leased or licensed offices, the right to use such assets and property, whether movable or immovable, tangible or Intangible Assets, plant and machinery, land and buildings, offices, capital work-in-progress, current assets (including inventories, sundry debtors, bills of exchange, loans and advances and other assets of a like nature, in each case pertaining to the WHC division;
- (v) all quotas, rights, entitlements, export/ import incentives and benefits, including advance licenses, bids, tenders (at any stage as it may be), letters of intent, expressions of interest, development rights (whatever vested or potential and whether under agreements or otherwise), subsidies, tenancies in relation to office, benefit of any deposits privileges, all other rights, receivables, 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, settlement agreement(s) and all other interests, in each case in connection with or relating to the WHC division;
- (vi) all brand names, trademarks, trade names, patents and domain names, the intellectual property in relation to MAs/ ANDAs, registrations, applications and authorizations of pharmaceutical products with governmental authorities in any jurisdiction (in so far as such pharmaceutical products pertain to the WHC division), dossiers, copyrights, industrial designs, trade secrets, know-how, data, formulations, technology, assays, methodologies, manufacturing procedures and techniques, test procedures, product registrations, applications and authorizations, rights to seek, recover, and retain damages, costs, profits, injunctive relief and other remedies for any past or future infringement, violation or misappropriation of any of the foregoing, licenses, settlements, covenants not to sue and other intellectual property and all other interests, in each case to the extent relating to the goods or services being dealt with by the WHC division;

- (vii) all information management systems, including databases, software programs, computer hardware owned or licensed by the Demerged Company and used in the WHC division;
- (viii) all intellectual property rights created, developed or invented by Employees concentrated on the research, development or marketing of products (including process development or enhancement) used in connection with the WHC division;
- (ix) continuity of status under the SEZ and EOU Laws in connection with the WHC division to the extent they continue to be available under applicable law in India including consequential benefits and privileges which can be availed by the Resulting Company upon fulfilment of applicable conditions;
- (x) all indirect tax credits, including pre Goods and Services Tax credit, in connection with the Demerged Undertaking;
- (xi) tax deducted at source, rights to carry forward and set-off of unabsorbed losses and depreciation, deductions and benefits under the Income-tax Act, 1961, in each case to the extent relating to the WHC division;
- (xii) all claims, causes of action, defenses and rights of set-off or counter claim, rights of recovery, judgments, demands and other rights relating to the WHC division, at any time or in any manner arising or existing, including under all warranties, representations, indemnities and guarantees made by customers/ vendors, contractors, sub-contractors, service providers, distributors or other third parties, in each case to the extent relating to the WHC division;
- (xiii) all loans and advances granted by the Demerged Company in relation to the WHC division, including accrued interest thereon, receivables, funds, cash, bank balances, investments, accounts, and all other rights, benefits of all agreements/ contracts, goodwill, subsidies, grants, incentives, bills of exchange, letters of intent, in each case to the extent arising from or relating to the WHC division;
- (xiv) all Demerged Undertaking Liabilities (as defined hereinafter);
- (xv) all Employees of the Demerged Company that are determined by the Board of Directors of the Demerged Company, to be substantially engaged in or in relation to the WHC division, as on the Effective Date, at their existing terms and conditions, including all employee benefits such as provident fund, employees' state insurance, gratuity fund, superannuation fund, etc.;
- (xvi) any and all advance monies, earnest monies or security deposits, trade payables, payment against warrants or other entitlements, relating to the WHC division paid by the Demerged Company;
- (xvii) all relevant extracts of any of the records that the Board of Directors of Demerged Company may decide, whether in physical or electronic form, to the extent relating to the WHC division;
- (xviii) such tax or legal proceedings by or against the Demerged Company relating to the Demerged Undertaking as may be decided by the Board of Directors of the Demerged Company, pending as on the Effective Date; and
- (xix) any other asset specifically allocated by the Board of Directors of the Demerged Company as relating to or belonging to the WHC division.

- 2.7. “Demerged Undertaking Liabilities” means all obligations and liabilities of the Demerged Company to the extent arising out of, relating to or otherwise in respect of the Demerged Undertaking (in each case, including the ownership or operation thereof), whether any such obligation or liability arises before, on or after the Effective Date, is known or unknown or is contingent or accrued, including the following obligations and liabilities to the extent not Remaining Undertakings Liabilities (as defined hereinafter):
- (i) All accrued receipts and accounts payable arising out of the operation or conduct of the Demerged Undertaking, whether arising before, on or after the Effective Date;
  - (ii) All liabilities and obligations under the contracts relating to the WHC division, whether arising before, on or after the Effective Date;
  - (iii) All tax related liabilities arising out of, relating to or in respect of the Demerged Undertaking for periods prior to the Effective Date, arising on or after the Effective Date;
  - (iv) All liabilities and obligations to the extent relating to, or arising out of, any asset relating to or belonging to the WHC division, or to the extent relating to or arising out of the ownership by the Resulting Company of any such asset or associated with the realization of the benefits of any such asset, in each case, before, on or after the Effective Date;
  - (v) Liabilities and obligations to the extent arising from or relating to lawsuits or other claims, regardless of when commenced or made and irrespective of the legal theory asserted, in each case, arising from or relating to the design, manufacture, testing, advertising, marketing, distribution or sale of the products relating to the WHC division, whether prior to, on or after the Effective Date, including all liabilities and obligations to the extent arising from or relating to warranty obligations, infringement, dilution, misappropriation or other violation of intellectual property rights, alleged or actual hazard or defect in design, manufacture, materials or workmanship, including any failure to warn or alleged or actual breach of express or implied warranty or representation or the return on or after the Effective Date of any product relating to the WHC division sold before, on or after the Effective Date;
  - (vi) All liabilities and obligations to the extent relating to or arising from the manufacturing facilities, the Demerged Undertaking or any asset relating to or belonging to the WHC division and arising under or with respect to any environmental law, or with respect to any environmental claim or any release of or exposure to any hazardous materials, in each case, whether arising before, on or after the Effective Date;
  - (vii) All obligations and liabilities in respect of any criminal, civil or administrative suit, action or proceeding, pending or threatened, and claims, whether or not presently asserted, to the extent arising out of or relating to the assets relating to or belonging to the WHC division or the operation or conduct of the Demerged Undertaking before, on or after the Effective Date;
  - (viii) All employment, labor, compensation, pension, employee welfare and employee benefits related liabilities, obligations, commitments, claims and losses relating to each Employee (or any dependent or beneficiary of any Employee) that arise as a result of an event or events that occur before, on or after the Effective Date or transfer to the Resulting Company under applicable law or pursuant to the Demerger;
  - (ix) Liabilities and obligations to suppliers or other third parties for materials and services, to the extent relating to the Demerged Undertaking and scheduled to be delivered or provided before, on or after the Effective Date (even if ordered before the Effective Date);

- (x) Liabilities and obligations to customers under contracts relating to the WHC division for products (and for which a related account receivable has not yet been recorded) whether shipped before, on or after the Effective Date;
- (xi) Specific loans and borrowings, if any, raised, incurred and utilized solely for the activities or operations of the WHC division;
- (xii) Liabilities other than those referred to in sub-clauses (i) through (xi) above, which are general or multipurpose borrowings, if any, of the Demerged Company be allocated to the WHC division in the same proportion in which the value of the assets transferred under the Demerger bears to the total value of the assets of the Demerged Company immediately before the Appointed Date in accordance with the provisions of Explanation 2 to Section 2(19AA) of the Income-tax Act, 1961;
- (xiii) All liabilities to the extent arising out of or relating to the Demerged Undertaking, other than liabilities of the specific type described in sub-clauses (i) through (xii) above; and
- (xiv) Any other liability specifically allocated by the Board of Directors of the Demerged Company as relating to or belonging to the WHC division.

The Board of the Demerged Company shall solely determine whether any asset including Intangible Assets, liability, Employee(s), record, liability, legal or other proceeding(s) forms a part of the Demerged Undertaking and Demerged Undertaking Liabilities or not, basis evidence that they might deem relevant for this purpose.

2.8. “Demerger” means the transfer by way of demerger in accordance with the provisions of Section 2(19AA) of the Income-tax Act, 1961 of the Demerged Undertaking to the Resulting Company and the consequent issue of Equity Shares by the Resulting Company to the shareholders of the Demerged Company as set out in this Scheme.

2.9. “Effective Date” means the last of the dates on which all the conditions and matters referred to in Clause 19 of the Scheme occur or have been fulfilled, obtained or waived, as applicable, in accordance with this Scheme. Reference in this Scheme to the date of “upon the Scheme becoming effective” or “effectiveness of the Scheme” shall be construed accordingly.

2.10. “Employees” means all the permanent employees engaged primarily in the business of the Demerged Undertaking on the payroll of the Demerged Company as on the Effective Date and as identified by the Board of Directors of the Demerged Company.

2.11. “Equity Share(s)” means the equity shares of the Demerged Company or the Resulting Company, as the case may be.

2.12. “Financial Statements” means the annual accounts (including balance sheet, cash flow statements and the statement of profit and loss) of the Demerged Company or/and Resulting Company (as the case may be), including the accounts drawn up to the Effective Date.

2.13. “INR” means Indian Rupees.

2.14. “Income-tax Act, 1961” shall mean the Income-tax Act, 1961, and the rules and regulations made thereunder and shall include any statutory modifications, re-enactment or amendment thereof to the extent notified.

- 2.15. "Intangible Assets" means and includes all intellectual property and industrial property rights and rights in proprietary, rights in confidential information, consent information of every kind and description throughout the world, whether registered or unregistered, including software, research and development, business claims, business information, business records and goodwill.
- 2.16. "National Company Law Tribunal" or "NCLT" or "Tribunal" means the National Company Law Tribunal, Hyderabad Bench at Hyderabad. The expression "Upon approval of the Scheme by the Tribunal"/"From the date of approval of the Scheme by the Tribunal"/"date on which the Scheme is approved by the Tribunal" shall mean the date on which the present Scheme is finally approved by the Tribunal.
- 2.17. "Record Date" means the date to be fixed by the Board of Directors of the Demerged Company in consultation with the Board of Directors of the Resulting Company for the purpose of determining the shareholders of the Demerged Company to whom Equity Shares of the Resulting Company will be allotted pursuant to this Scheme.
- 2.18. "Registrar of Companies" or "ROC" means Registrar of Companies, Telangana at Hyderabad, having jurisdiction over the Demerged Company and the Resulting Company in the State of Telangana.
- 2.19. "Remaining Undertakings" means all the undertakings, businesses, activities and operations, assets, liabilities and employees of the Demerged Company, other than those covered under Demerged Undertaking as specifically defined in Clause 2.6 above in this Scheme.
- 2.20. "Remaining Undertakings Liabilities" means all obligations and liabilities of the Demerged Company to the extent arising out of, relating to or otherwise in respect of the Remaining Undertakings (in each case, including the ownership or operation thereof), whether any such obligation or liability arises before, on or after the Effective Date, is known or unknown or is contingent or accrued.
- 2.21. "Resulting Company" shall have the meaning ascribed to it in Clause II(2) of Description of Companies above.
- 2.22. "Scheme" or "this Scheme" means this Scheme of Arrangement, including the schedules, in its present form submitted to the NCLT or any other Appropriate Authority in the relevant jurisdictions, with any modification(s) thereto as the NCLT or any other Appropriate Authority may direct.
- 2.23. "SEZ and EOU Laws" means the SEZ Act, 2005 read with the SEZ Rules, 2006, extant Foreign Trade Policy and the ancillary rules/ regulations/ procedures as applicable.
- 2.24. The expressions which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act or other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time.
- 2.25. Unless the context requires otherwise, reference to any law or provision thereof shall include references to any amendments, supplements or re-enactments after the date hereof.

- 2.26. Any phrase introduced by the terms “including”, “include”, “includes”, “such as” or any other similar expressions shall be construed as illustrative and not exhaustive. The word “or” shall not be exclusive. The phrase “to the extent” shall mean the degree to which a subject or other item extends and shall not simply mean “if”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. The words “asset” and “property” shall be construed to have the same meaning and effect.
- 2.27. The headings herein shall not affect the construction of this Scheme.
- 2.28. References to clauses, recitals and schedules, unless otherwise provided, are to clauses, recitals and schedules of and to this Scheme.
- 2.29. The singular shall include the plural and vice versa.
- 2.30. References to a person include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives body (whether or not having separate legal personality).
- 2.31. Any document or agreement includes a reference to that document or agreement as varied, amended, supplemented, substituted, novated or assigned, from time to time, in accordance with the provisions of such document or agreement.
- 2.32. The words “other”, “or otherwise” and “whatsoever” shall not be construed ejusdem generis or be construed as any limitation upon the generality of any preceding words or matters specifically referred to.

### 3. SHARE CAPITAL OF THE DEMERGED COMPANY AND THE RESULTING COMPANY

#### 3.1. MLL

The share capital structure of the Demerged Company as per the last audited balance sheet as on 31 March, 2022 is as under:

<b>Authorised Capital</b>	<b>Amount (INR)</b>
62,50,00,000 Equity Shares of INR 2 each	125,00,00,000
<b>Total</b>	<b>125,00,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	<b>Amount (INR)</b>
24,35,12,635 Equity Shares of INR 2 each fully paid-up	48,70,25,270
<b>Total</b>	<b>48,70,25,270</b>

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

### 3.2. MHPL

The share capital structure of the Resulting Company as on the date of incorporation is as under:

<b>Authorised Capital</b>	<b>Amount (INR)</b>
10,000 Equity Shares of INR 10 each	1,00,000
<b>Total</b>	<b>1,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	<b>Amount (INR)</b>
10,000 Equity Shares of INR 10 each fully paid-up	1,00,000
<b>Total</b>	<b>1,00,000</b>

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

3.3. It is clarified that until the Scheme becomes effective, the Demerged Company and the Resulting Company are free to alter their authorised, issued, subscribed and paid-up share capital as may be required by the respective business requirements. Any consolidation, stock split, sub division, reorganization, reclassification or other similar action in relation to the share capital of the Demerged Company or the Resulting Company that occurs after the date of approval of the Scheme by the respective Boards of the Demerged Company and Resulting Company and on or before the Effective Date shall be subject to Clause 17 of this Scheme.

#### 4. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme shall be effective in its present form or with any modification(s)/ amendment(s) subject to Clause 19 of this Scheme and shall become effective and operational from the Appointed Date which shall be the same as the Effective Date.

## **PART B**

### **DEMERGER OF DEMERGED UNDERTAKING FROM THE DEMERGED COMPANY INTO THE RESULTING COMPANY**

#### **5. TRANSFER OF ASSETS**

- 5.1. Upon the coming into effect of the Scheme and with effect from the Appointed Date defined in Clause 2.2 of this Scheme, the Demerged Undertaking (including all the estate, assets, rights, claims, title, interest and authorities), including accretions and appurtenances of the Demerged Undertaking, shall, subject to the provisions of this Clause in relation to the mode of transfer and vesting and pursuant to the provisions of Sections 230 to 232 of the Act and other applicable provisions of the Act, if any, and transfer of assets and liabilities in accordance with Section 2(19AA) of the Income-tax Act, 1961, without any further act or deed, be deemed to be demerged from the Demerged Company and be transferred to and vested in the Resulting Company as a going concern so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interest and authorities of the Resulting Company, subject to the provisions of this Scheme.
- 5.2. Without prejudice to Clause 5.1 above, upon the coming into effect of the Scheme and with effect from the Appointed Date:
- (i) all movable properties or such properties capable of transfer by manual or constructive delivery or by endorsement and delivery of the Demerged Company forming part of the Demerged Undertaking, 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 (balances with tax authorities being limited to the amount net of permissible refund claims up to the Effective Date, whether applied or not), customers and other persons shall without any further act, instrument or deed become the property of the Resulting Company;
  - (ii) all immovable properties, including the properties as listed out in Schedule – 1, whether leasehold or prospective licenses (including in each case, any applications made therefore) or otherwise forming part of the Demerged Undertaking shall be deemed to have been transferred to the Resulting Company. The Resulting Company shall be entitled to and exercise all rights, title, interest, claims and privileges attached to such immovable properties of the Demerged Undertaking, including right to use, develop, possess the immovable properties with all rights of ownership and right to deal with and dispose of such immovable properties and appropriate all consideration arising therefrom as the Resulting Company deems fit and shall be liable to pay the ground rent, taxes and to fulfil all obligations in relation to such immovable properties;

- (iii) any inchoate title or possessory title forming part of the Demerged Undertaking of the Demerged Company (as case may be) or its predecessor company(ies) shall be deemed to be title of the Resulting Company;
- (iv) all assets, rights, title and interest of the Demerged Company forming part of the Demerged Undertaking shall also, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Resulting Company;
- (v) any tax asset forming part of Demerged Undertaking consequent to a tax proceeding by or against the Demerged Company in relation to the Demerged Undertaking whether pending as on the Effective Date or which may arise or be instituted any time thereafter pertaining to period prior to the Effective Date;
- (vi) all trademarks, domain names, logos, patents, MAs/ANDAs, product registrations, applications and authorizations for product registrations, dossiers, trade names, brands, rights to seek, recover, and retain damages, costs, profits, injunctive relief and other remedies for any past or future infringement, violation or misappropriation of any of the foregoing, licenses, settlements, covenants not to sue, whatever name called and whether or not registered, owned or used by the Demerged Company, forming part of the Demerged Undertaking, shall be transferred to or be deemed to be transferred to or vested in the Resulting Company;
- (vii) all cheques and other negotiable instruments, pay orders, electronic fund transfers (like NEFT, RTGS, etc.) received or presented for encashment which are in the name of the Demerged Company after the Effective Date, in so far as the same forms part of the Demerged Undertaking, shall be deemed to have been in the name of Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company or received through electronic transfers and shall be accepted by the relevant bankers and credited to the accounts of the Resulting Company. Similarly, the bankers of the Resulting Company shall honour all cheques/ electronic fund transfer instructions issued by the Demerged Company (in relation to the Demerged Undertaking) for payment after the Effective Date. If required, the bankers of the Demerged Company or the Resulting Company shall allow maintaining and operating of the bank accounts (including banking transactions carried out electronically) in the name of the Demerged Company by the Resulting Company in relation to the Demerged Undertaking for such time as may be decided by the Board of the Demerged Company and the Resulting Company for presentation and deposit of cheques, pay order and electronic transfers that have been issued/ made in the name of the Demerged Company;

- (viii) all the contracts, agreements relating to developing, manufacturing, supplying, marketing, selling or procuring, registrations (including registrations, applications and authorizations relating to product registrations and otherwise), tenders, including past manufacturing and marketing experience and any other pre-qualification criteria or experience by whatsoever name called forming part of the Demerged Undertaking, shall, subject to the provisions of this Clause in relation to the mode of transfer and vesting and pursuant to the relevant provisions of the Act, without any further act or deed, be demerged from the Demerged Company and be transferred to and vested in the Resulting Company as a going concern so as to become as and from the Effective Date, the contracts, agreements relating to developing, manufacturing, supplying, marketing, selling or procuring, registrations (including registrations, applications and authorizations relating to product registrations and otherwise), tenders, including past experience and any pre-qualification criteria or experience by whatsoever name called or defined in various tender documents, of the Resulting Company.
- 5.3. Without prejudice to the generality of the foregoing, in order to formalise, regularise or record any transfer of immovable property forming a part of the Demerged Undertaking, pursuant to this Scheme, the Demerged Company and the Resulting Company, as the case may be, may enter into a separate conveyance deed or agreement without payment of consideration and the relevant authorities shall accordingly record the mutation of title.

## **6. TRANSFER OF LIABILITIES**

- 6.1. Upon the coming into effect of the Scheme and with effect from the Appointed Date, any and all Demerged Undertaking Liabilities including export related liabilities, contingent liabilities and tax related liabilities consequent to a tax proceeding and forming part of Demerged Undertaking, by or against the Demerged Company in relation to the Demerged Undertaking under any statute whether pending as on the Effective Date or which may arise or be instituted any time thereafter pertaining to period prior the Effective Date shall stand transferred to and be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company, without any further act, instrument or deed. The Resulting Company undertakes to meet, discharge and satisfy the same to the exclusion of the Demerged Company. 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, duties and obligations have arisen in order to give effect to the provisions of this Clause.
- 6.2. Upon the Scheme becoming effective, the Resulting Company alone shall be liable to perform all obligations in respect of the Demerged Undertaking Liabilities, and the Demerged Company shall not have any obligations in respect of such Demerged Undertaking Liabilities.
- 6.3. Without prejudice to the generality of the foregoing Clauses, the Demerged Company and the Resulting Company shall enter into and execute such other deeds, instruments, documents or writings or do all acts and deeds as may be required, including the filing of necessary particulars or modification(s) of charge with the Registrar of Companies to give formal effect to the provisions of this Clause and the foregoing Clauses, if required.

## **7. LEGAL PROCEEDINGS**

- 7.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, all pending tax or legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal or court) by or against the Demerged Company in relation to the Demerged Undertaking under any statute and as may be decided by the Board of the Demerged Company, whether pending as on the Effective Date or which may arise or be instituted any time thereafter pertaining to period prior the Effective Date shall stand transferred, continued and enforced by or against the Resulting Company with effect from the Effective Date. Such proceedings shall be transferred by the Resulting Company to its name as soon as is reasonably possible after upon the Scheme coming into effect. Both the Companies shall make relevant applications with the relevant authorities on that behalf. It is hereby clarified that in the event proceedings are commenced against the Demerged Company in relation to the Demerged Undertaking, before or during the pendency of such transfer then the Demerged Company may act on behalf of the Resulting Company on such matters till the transfer is complete and take all measures necessary to have the proceeding be discharged against the Demerged Company. The Demerged Company shall in no event be responsible or liable in relation to any tax or legal or other proceedings that stand transferred to the Resulting Company.

## **8. CONTRACTS, APPROVALS, LICENSES, DEEDS, OTHER INSTRUMENTS**

- 8.1. Subject to the other provisions of the Scheme, upon the coming into effect of this Scheme and with effect from the Appointed Date, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature forming part of the Demerged Undertaking of the Demerged Company and to which the Demerged Company is a party, or the benefit to which the Demerged Company may be eligible, subsisting or operative immediately on or before the Effective Date, shall be in full force and effect against or in favour of the Resulting Company and may be enforced as fully and effectively as if instead of the Demerged Company, the Resulting Company had been a party or beneficiary thereto.
- 8.2. Without prejudice to the generality of the foregoing, the Resulting Company and Demerged Company shall, where required under any law or otherwise, take such action and execute such deeds (including deeds of adherence), confirmation or other writing or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writing as may be necessary in order to formalise or record the transfer pursuant to the provisions of this Scheme. The Demerged Company, wherever necessary, shall be a party to the above.
- 8.3. It is clarified that upon the coming into effect of the Scheme and with effect from the Appointed Date, all consents, permissions, licences, approvals, certificates, insurance covers, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Demerged Company forming part of the Demerged Undertaking and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registrations or other licenses and consents acquired by the Demerged Company forming a part of the Demerged Undertaking shall stand transferred to or vested in or deemed to have transferred to or vested in the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company, and the Resulting Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Resulting Company. The concerned licensors and grantors (including relevant statutory or regulatory authorities) of such approvals, clearances, permissions, registrations, licenses, consents, insurance covers, etc. shall endorse where necessary and record in accordance with law the name of the Resulting Company

on such approvals, clearances, permissions so as to formalise, record and facilitate the approval and vesting of the Demerged Undertaking in the Resulting Company pursuant to the provisions of this Scheme for the continuation of operations forming a part of the Demerged Undertaking without any hindrance. Notwithstanding any such endorsement, such approvals, clearances and permissions shall remain in full force and effect in favour of or against the Resulting Company as the case may be and may be enforced against the Resulting Company. All liabilities arising from all such consents, permissions, licences, approvals, certificates, insurance covers, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Demerged Company forming part of the Demerged Undertaking, and which are subsisting or have effect immediately before the Effective Date, shall constitute Demerged Undertaking Liabilities and shall be on account of the Demerged Company and, after the Effective Date, the same shall be on account of the Resulting Company and shall, in all proceedings, be dealt with accordingly.

- 8.4. If any assets (including estate, claims, rights, title, interest in or authorities relating to any asset) or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature forming part of the Demerged Undertaking which the Demerged Company owns or to which the Demerged Company is a party to cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such assets, contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company, insofar as it is permissible so to do, till such time as the transfer is affected. In case a transfer is not possible under law, the Board of Directors of the Demerged Company and the Resulting Company shall mutually agree on the way forward.
- 8.5. The Resulting Company shall enter into or issue or execute deeds, writings or confirmations or enter into any tripartite agreement, confirmations or novations to which the Demerged Company will, if necessary, also be a party in order to give formal effect to the provisions of this Scheme, if it is so required or if it becomes necessary.

## **9. TAXATION MATTERS**

- 9.1. The Demerger pursuant to and in accordance with this Scheme shall take place with effect from the Appointed Date and shall be in accordance with Section 2(19AA) of the Income-tax Act, 1961. More specifically, upon the Scheme coming into effect –
- (i) all the property of the Demerged Undertaking, being transferred by the Demerged Company, immediately before the Demerger, becomes the property of the Resulting Company by virtue of the Demerger;
  - (ii) all the Demerged Undertaking Liabilities, being transferred by the Demerged Company, immediately before the Demerger, become the liabilities of the Resulting Company by virtue of the Demerger;
  - (iii) the property of the Demerged Undertaking and the Demerged Undertaking Liabilities being transferred by the Demerged Company are transferred at values appearing in the books of account of the Demerged Company immediately before the Demerger;

Provided that the provisions of this sub-clause shall not apply where the Resulting Company records the value of the property of the Demerged Undertaking and the Demerged Undertaking Liabilities at a value different from the value appearing in the books of account of the Demerged Company, immediately before the Demerger, in compliance to the Indian Accounting Standards specified in Annexure to the Companies (Indian Accounting Standards) Rules, 2015;

- (iv) the Resulting Company issues, in consideration of the Demerger, its shares to the shareholders of the Demerged Company on a proportionate basis except where the Resulting Company itself is a shareholder of the Demerged Company;
- (v) the shareholders holding not less than three-fourths in value of the shares in the Demerged Company (other than shares already held therein immediately before the Demerger, or by a nominee for, the Resulting Company or, its subsidiary) become shareholders of the Resulting Company by virtue of the Demerger; and
- (vi) the transfer of the undertaking by virtue of the Demerger is on a going concern basis.

9.2. This Scheme has been drawn up to comply with the conditions relating to Demerger as defined under Section 2(19AA) of the Income-tax Act, 1961 and relating to carry forward of accumulated losses and unabsorbed depreciation pertaining to the “Demerged Undertaking” as specified under Section 72A of the Income-tax Act, 1961 and other relevant sections of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the provisions of the said section of the Income-tax Act, 1961 shall prevail and the Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such amendments, as may become necessary, shall vest with the Board of Directors of the Demerged Company and the Resulting Company and the same shall be exercised reasonably with the best interests of both the Companies and their stakeholders.

9.3. Upon the Scheme becoming effective, all taxes paid by the Demerged Company pertaining to the Demerged Undertaking for the period prior to the Effective Date and forming part of Demerged Undertaking, regardless of the period to which it is paid, shall be deemed to have been paid for and on behalf of and to the credit of the Resulting Company and the Resulting Company shall be entitled to take credit for such taxes notwithstanding that certificates/ challans for the said taxes are in the name of the Demerged Company and not in the name of the Resulting Company. Further, the relevant authorities shall be bound to transfer to the account of and give credit for the same to the Resulting Company upon submission of relevant proof and documents to the said authorities.

9.4. Any refunds and/or liabilities under the tax laws due to/from the Demerged Company and being tax asset forming part of the Demerged Undertaking, specifically pertaining to the Demerged Undertaking for the period prior to the Effective Date, consequent to the assessments or otherwise made on the Demerged Company and which is not accounted by the Demerged Company in the accounts as on the date immediately preceding the Effective Date shall belong to and be received/paid by the Resulting Company.

9.5. Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, exemptions, incentives, concessions and other authorizations of the Demerged Company pertaining to the Demerged Undertaking shall stand transferred by the order of the NCLT to the Resulting Company subject to the fulfilment of the conditions under Clause 19 of this Scheme, the Resulting Company shall file the relevant intimations for the record of the Appropriate Authority.

## 10. STAFF, WORKMEN AND EMPLOYEES

- 10.1. Upon the Scheme becoming effective, all staff, workmen, wage workers and Employees relating to the Demerged Undertaking on the payrolls of the Demerged Company, in service, as on the Effective Date, shall be deemed to have become staff, workmen, and Employees of the Resulting Company with effect from the Effective Date or their respective joining date, whichever is later without any break or interruption in their service and on the terms and conditions of their employment not less favourable than those subsisting with reference to such Employees of the Demerged Undertaking of the Demerged Company.
- 10.2. In so far as the wage settlement agreements, union agreements, provident funds, gratuity funds or any other special funds created or existing for the benefit of such Employees of the Demerged Undertaking of the Demerged Company are concerned, as on the Effective Date or period prior to the Effective Date, the Resulting Company shall stand substituted for the Demerged Company for all assets or liabilities arising from all such funds and the obligations related to administration or operation of such funds in accordance with provisions of such funds provided in the respective trust deeds or other documents. It is clarified that the services of such Employees of the Demerged Undertaking will be treated as having been continuous and not interrupted for the purposes of such funds. Alternatively, in the event the provident fund, gratuity fund, superannuation fund or any other special fund or trust, if any, created or existing, for the benefit of the staff, workmen and Employees of the Demerged Undertaking of the Demerged Company, is not transferred, the Demerged Company or the Resulting Company will undertake necessary steps or similar funds to be set up by the Resulting Company to compensate the Employees of the Demerged Undertaking of the Demerged Company for the same. In the event that the Resulting Company does not have its own funds in respect of any of the above, the Resulting Company may, subject to necessary approvals and permissions, continue to contribute to funds of the Demerged Company or discharge such liabilities of the Demerged Company until such time that it creates its own funds, upon which the funds and investments and contributions pertaining to the transferring Employees will be transferred to the funds created by the Resulting Company.
- 10.3. In so far as the provident funds, gratuity funds or any other special funds created or existing for the benefit of such Employees of the Demerged Undertaking of the Demerged Company are concerned, all assets or liabilities arising from all such funds and the obligations related to administration or operation of such funds in accordance with provisions of such funds provided in the respective trust deeds or other documents subsisting immediately before the Effective Date, shall be on account of the Demerged Company and shall, in all proceedings, be dealt accordingly.
- 10.4. In so far as the existing benefits or funds created by the Demerged Company for the Employees other than the Employees being transferred to the Resulting Company are concerned, the same shall continue and the Demerged Company shall continue to contribute to such funds and trusts in accordance with the provisions thereof, and such funds and trusts, if any, shall be held inter alia for the benefit of the Employees other than the Employees being transferred to the Resulting Company.

It is hereby clarified that the Board of the Demerged Company shall solely determine the detailed list of the asset including Intangible Assets, (including balances with Government authorities), liability, Employee(s), legal or other proceeding(s), etc., forming part of the Demerged Undertaking to be transferred/ vested in the Resulting Company pursuant to the Demerger under PART B above.

## 11. CONDUCT OF BUSINESS

11.1. Except as provided under this Scheme, from the date of the Scheme being approved by the Board of the Companies and up to the Effective Date:

- (i) The Demerged Company shall carry on, and be deemed to have carried on, its business, operations or activities, and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the assets, properties, liabilities or undertaking pertaining to the Demerged Undertaking on behalf of or in trust for the Resulting Company.
- (ii) The Demerged Company undertakes that it will preserve and carry on the business of the Demerged Undertaking in a manner consistent with its past practices in accordance and compliance with applicable law.
- (iii) The Demerged Company shall carry on and be deemed to have been carrying on all business and activities relating to the Demerged Undertaking in the name and style of the Demerged Company and under the relevant licenses, product registrations, MAs, ANDAs, permits, quotas, approvals, incentives and subsidies, until the relevant licenses, product registrations, ANDAs, MAs, permits, quotas, approvals, incentives and subsidies have been obtained in the name of the Resulting Company.
- (iv) The Demerged Company shall procure or use or manufacture, for exports, all material and product, including the packing material, art-work, label goods, cartons, stickers, wrappers, labels, containers, point of sale material, sign board, samples, closures, publicity materials, in the name and form/ format of the Demerged Company.
- (v) All profits or income accruing or arising to the Demerged Undertaking of the Demerged Company, or losses arising or expenditure incurred by it, pertaining to the Demerged Undertaking, shall for all purposes be treated as, and be deemed to be treated as, the profits or income or losses or expenditure, as the case may be, of the Resulting Company.
- (vi) All assets howsoever acquired by the Demerged Company for carrying on its business, operations or activities pertaining to the Demerged Undertaking and the liabilities relating thereto shall be deemed to have been acquired and are also contracted for and on behalf of the Resulting Company.
- (vii) Any of the rights, powers, authorities or privileges attached, related or forming part of the Demerged Undertaking, exercised by Demerged Company shall be deemed to have been exercised by Demerged Company for and on behalf of and in trust for the Resulting Company. Similarly, any of the obligations, duties and commitments attached, related or forming part of the Demerged Undertaking that have been undertaken or discharged by the Demerged Company shall be deemed to have been undertaken/ discharged for and on behalf of the Resulting Company.

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

- 11.3. The transfer of assets, properties, Demerged Undertaking Liabilities and the continuance of proceedings by or against the Demerged Company pertaining to the Demerged Undertaking shall not affect any transaction or proceedings already concluded by the Demerged Company on or before the Effective Date and it is the intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Demerged Company pertaining to the Demerged Undertaking, in regard thereto as done and executed by the Resulting Company on behalf of itself.
- 11.4. The Demerged Company shall not vary the terms and conditions of any Employees in relation to the Demerged Undertaking, except in the ordinary course of business or with the prior written consent of the Resulting Company.
- 11.5. With effect from the Effective Date, the Resulting Company shall commence and carry on and be authorised to carry on the business of the Demerged Undertaking which was earlier carried on by the Demerged Company.

## **12. RETAINED BUSINESS**

- 12.1. The Remaining Undertakings and all the assets, Remaining Undertakings Liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company.
- 12.2. All legal, taxation or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Effective Date or which may be instituted at any time thereafter, and in each case relating to the Remaining Undertakings (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Undertakings) shall be continued and enforced by or against the Demerged Company on or after the Effective Date. The Resulting Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceedings against the Demerged Company, which relates to the Remaining Undertakings.
- 12.3. Up to and including the date on which the Scheme comes into effect:
- (i) The Demerged Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Undertaking of the Demerged Company for and on its own behalf;
  - (ii) All profits accruing to the Demerged Company or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Undertakings of Demerged Company shall, for all purposes, be treated as the profits or losses, as the case may be, of the Demerged Company; and
  - (iii) All assets and properties acquired by the Demerged Company in relation to the respective Remaining Undertakings of the Demerged Company on and after the Effective Date shall belong to and continue to remain vested in the Demerged Company.

### **13. INCREASE IN AUTHORISED SHARE CAPITAL OF THE RESULTING COMPANY**

13.1. Upon the coming into effect of the Scheme, the authorised share capital of the Resulting Company of INR 1,00,000 (rupees one lakh only) divided into 10,000 Equity Shares having face value of INR 10 each in terms of Clause V of its Memorandum of Association shall stand increased to INR 1,10,00,000 (rupees one crore ten lakhs only) divided into 11,00,000 Equity Shares having face value of INR 10 each, without any further act or deed by the Resulting Company for purpose of such increase of its authorized share capital.

13.2. Subsequent to the increase of the authorized share capital of the Resulting Company as contemplated in Clause 13.1 above, the authorized share capital clause of the Memorandum of Association of the Resulting Company shall stand modified and shall read as follows:

Clause V of Memorandum of Association:

*“The authorized share capital of the company is Rs. 1,10,00,000/- (Rupees One Crore Ten Lakhs Only) divided into 11,00,000 (Eleven Lakhs) Equity Shares of Rs. 10/- each (Rupees Ten Only).”*

13.3. The Resulting Company shall make all the requisite filings with the Registrar of Companies for the increase in its authorised share capital in the manner set out in this Clause 13.

13.4. It is hereby clarified that for the purposes of increasing the authorised share capital of the Resulting Company in accordance with this Clause 13, the consent of the shareholders of the Resulting Company to this Scheme shall be deemed to be sufficient for the purposes of effecting amendment in the authorized share capital of the Resulting Company and the consequential amendments to Clause V of its Memorandum of Association. All actions taken in accordance with this Clause 13 shall be in compliance of Sections 13, 61 and 64 of the Act and other applicable provisions of the Act and no further resolutions or actions under the Act would be required to be complied with.

### **14. CONSIDERATION**

14.1. Upon the coming into effect of the Scheme, and in consideration of the transfer and vesting of the Demerged Undertaking of Demerged Company into the Resulting Company pursuant to the Scheme, the Resulting Company shall without any further application, act, instrument or deed, issue and allot Equity Shares credited as fully paid up to the extent indicated below to the members of the Demerged Company holding fully paid Equity Shares of the Demerged Company and whose name appear in the register of members of the Demerged Company as on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognised by the Board of Directors of the Resulting Company in the following proportion:

*2 fully paid-up Equity Shares of INR 10 (Rupees Ten Only) of the Resulting Company for 487 Equity Shares of INR 2 (Rupees Two Only) held on the Record Date by the shareholders in the Demerged Company (“Share Entitlement Ratio”)*

14.2. Any fractional entitlement arising out of issuance and allotment of Equity Shares of the Resulting Company to the shareholders of the Demerged Company pursuant to Clause 14.1 shall be rounded off to the nearest integer.

- 14.3. Where Equity Shares of the Resulting Company are to be allotted to heirs, executors or administrators or, as the case may be, to successors of deceased shareholders of the Demerged Company, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of the Resulting Company.
- 14.4. The approval of the Scheme by the shareholders of the Resulting Company shall be deemed to be the approval under Section 62 read with Section 42 of the Act read with relevant rules made thereunder, for the purpose of issuance and allotment of Equity Shares by the Resulting Company to the shareholders of the Demerged Company, and shall be deemed to have complied with other applicable provisions of the Act and any other statutes and regulations as may be applicable.
- 14.5. The Equity Shares issued and allotted by the Resulting Company in terms of Clause 14.1 above shall be subject to the provisions of the Memorandum and Articles of Association of the Resulting Company and shall inter-se rank pari passu in all respects with the then existing Equity Shares, if any, respectively, of the Resulting Company.
- 14.6. The Equity Shares or any other securities issued shall be in compliance with the Foreign Exchange Management Act, 1999 and rules made thereunder. The Equity Shares or any other securities shall be issued after obtaining appropriate approvals, if any, required under the Foreign Exchange Management Act, 1999 and rules made thereunder and in compliance with the terms of such approvals.
- 14.7. The Resulting Company shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issuance and allotment of Equity Shares to the members of the Demerged Company under the Scheme.
- 14.8. The Equity Shares shall be issued to the relevant members of the Demerged Company in dematerialized form by the Resulting Company, or as may be requested by the shareholder, in accordance with applicable law.
- 14.9. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board 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. The Board of the Demerged Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in the Demerged Company on account of difficulties faced in the transaction period.
- 14.10. The Equity Shares to be issued by Resulting Company, pursuant to Clause 14.1 above, in respect of any Equity Shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Act or which the Resulting Company is unable to issue due to non-receipt of relevant approvals or due to applicable laws or otherwise shall, pending allotment or settlement of dispute by order of NCLT or otherwise, be held in abeyance by the Resulting Company.

## PART C

### ACCOUNTING TREATMENT PURSUANT TO THE SCHEME

#### **15. ACCOUNTING TREATMENT**

The accounting treatment of the Demerger of Demerged Undertaking in the books of the Demerged Company and the Resulting Company shall be in compliance with the applicable accounting standards notified under Section 133 of the Act, accounting standard as notified by Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other generally accepted accounting principles in India.

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

Upon the Scheme becoming effective, the Demerged Company shall account for the Demerger in its books of account in the following manner:

- (i) The Demerged Company shall de-recognize the carrying values of the assets and Demerged Undertaking Liabilities as on the Appointed Date that are held in or transferred to the Resulting Company pursuant to this Scheme in accordance with de-recognition related stipulations contained in Indian Accounting Standards (Ind AS); and
- (ii) The net amount so de-recognised and the adjustment thereof against retained earnings will be presented separately in the financial statements as impact of demerger.

##### **15.2. Accounting treatment in the books of Resulting Company**

Upon the Scheme becoming effective, the Resulting Company shall account for the Demerger in its books of account in the following manner:

- (i) The Resulting Company shall record all assets, Demerged Undertaking Liabilities and reserves/retained earnings, if any of the Demerged Undertaking transferred to it in pursuance of this Scheme, at their respective book values appearing in the books of the Demerged Company;
- (ii) The Resulting Company shall credit its share capital account with the aggregate face value of the Equity Shares issued to the relevant shareholders of Demerged Company pursuant to Clause 14.1 of this Scheme;
- (iii) The difference between (a) the book value of assets minus Demerged Undertaking Liabilities and reserves/retained earnings, if any, recorded in the books of the Resulting Company, and (b) the value of the Equity Shares issued and allotted by the Resulting Company to the shareholders of the Demerged Company as consideration, if any, shall be debited/ credited to the Amalgamation Adjustment Deficit Account of the Resulting Company;
- (iv) In case of any differences in accounting policies between the Demerged Company and the Resulting Company, the accounting policies followed by the Resulting Company shall prevail to ensure that the financial statements reflect the financial position on the basis of consistent accounting policies.

## **PART D**

### **REDUCTION OF EQUITY SHARE CAPITAL**

#### **16. CANCELLATION OF EQUITY SHARE CAPITAL OF RESULTING COMPANY RESULTING IN REDUCTION OF EQUITY SHARE CAPITAL**

- 16.1. Upon allotment of Equity Shares by the Resulting Company as per Clause 14.1 of the Scheme to the shareholders of the Demerged Company, the shareholding of the Demerged Company in the Resulting Company (i.e. 10,000 Equity Shares of INR 10 each held by such shareholders of the Resulting Company) shall stand cancelled in accordance with the order(s) of the NCLT sanctioning the Scheme under Sections 230 to 232 of the Act. No consideration shall be payable to the shareholders of the Resulting Company on account of cancellation of such Equity Share capital pursuant to this Clause.
- 16.2. Upon cancellation of the initial Equity Share capital of the Resulting Company as per Clause 16.1 above, the Equity Share capital of the Resulting Company shall stand reduced to the extent of the nominal value of the shares cancelled. If the NCLT holds that Section 66 of the Act is deemed to apply to this Scheme, then the necessary minute of the resolution relating to the reduction of the Equity Share capital of the Resulting Company pursuant to this Scheme, shall be registered with the Registrar of Companies and NCLT in terms of Section 66 of the Act.
- 16.3. Notwithstanding the reduction in the Equity Share capital of the Resulting Company, the Resulting Company shall not be required to add "And reduced" as a suffix to its name.
- 16.4. Upon registration of the order sanctioning the Scheme subject to the fulfilment of the conditions under Clause 19 of this Scheme, the reduction shall be deemed to take effect from the Effective Date.
- 16.5. Since the said reduction is an integral part of the Scheme under Sections 230 to 232 of the Act and will be made effective pursuant to order of the NCLT sanctioning the Scheme in terms of Sections 230 to 232 of the Act subject to the fulfilment of the conditions under Clause 19 of this Scheme, the Resulting Company is not required to follow the process under Section 66 of Act or any other provisions of applicable laws separately, unless the NCLT holds otherwise.
- 16.6. In any event, it shall be deemed that the members of the Resulting Company who have approved the Scheme have also resolved and accorded all relevant consents under Section 66 of the Act or any other provisions of the Act to the extent the same may be considered applicable and that there will be no need to pass a separate shareholders' resolution as required under Section 66 of the Act. The order of the NCLT sanctioning the Scheme shall also be deemed to be an order under Section 66 of the Act confirming the reduction.
- 16.7. The Resulting Company shall cancel the investments of the Demerged Company held in the Resulting Company which were taken over as part of Demerged Undertaking from the Demerged Company pursuant to Clause 16 of this Scheme.

## **PART E**

### **GENERAL TERMS AND CONDITION**

#### **17. PROFIT, DIVIDEND, BONUS/RIGHT/PREFERENTIAL ALLOTMENT OF SHARES/WARRANTS**

The Companies may before the Effective Date make any change in the capital structure either by any increase (by issue of shares on rights basis or preferential basis, or otherwise), decrease, reduction, reclassification or in any other manner with the consent of the Board of Directors of the respective Companies and on the terms and conditions as it may decide and the Share Entitlement Ratio as mentioned in this Clause 14.1 shall be subject to equitable adjustments by the directors of the relevant company to reflect such corporate action, if considered necessary at the relevant time, in such a manner as the relevant company's auditors may determine to be appropriate to reflect such corporate action.

#### **18. DIVIDENDS**

- 18.1. 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.
- 18.2. The Equity Shares of the Resulting Company to be issued and allotted to the relevant shareholders of the Demerged Company shall be entitled to dividends from the date of allotment.
- 18.3. The holders of Equity Shares of the Demerged Company and the Resulting Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association, including the right to receive dividends.
- 18.4. 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 the Demerged Company or the 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 Directors of the Demerged Company and the Resulting Company respectively, and subject to the approval, if required, of shareholders of the Demerged Company and the Resulting Company respectively.

#### **19. CONDITIONALITY OF THE SCHEME**

##### **19.1. The Scheme is conditional upon the following:**

- (i) Approval by requisite majority of the members and creditors of both the Companies involved in the Scheme;
- (ii) Approval of the Scheme by relevant regulatory authorities, including but not limited to Unit Approval Committee for SEZ, Deputy Commissioner of customs for EOU;
- (iii) Sanction of the Scheme by the NCLT;
- (iv) Certified copy of the order of the NCLT, sanctioning the Scheme being filed with the ROC;

- (v) Receipt of approvals for the issuance and allotment of Equity Shares to the shareholders of the Demerged Company as set out in this Scheme, if and as required under the terms of the Foreign Exchange Management Act, 1999 and the rules and regulations issued thereunder, including the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 as well as the Consolidated FDI Policy Circular 2020; and
- (vi) The fulfilment, satisfaction or waiver (as the case may be) of any approvals from third parties mutually agreed by the Companies as being required for the completion of this transaction, as may be mutually agreed between the Companies.

## **20. APPLICATION TO THE NCLT**

- 20.1. Both the Companies involved in the Scheme shall, with all reasonable dispatch, make applications to the NCLT, under Sections 230 to 232 of the Act and other applicable provisions of the Act, seeking orders for dispensing with or convening, holding and conducting of the meetings of the classes of their respective members or creditors and for sanctioning this Scheme, with such modifications as may be approved by the NCLT.
- 20.2. Upon this Scheme being approved by the requisite majority of the respective members and creditors of the Demerged Company and the Resulting Company (as may be directed by the NCLT), the Demerged Company and Resulting Company shall, with all reasonable dispatch, apply to the NCLT, for sanction of this Scheme under Sections 230 to 232 of the Act and other applicable provisions of the Act, and for such other order or orders, as the said NCLT may deem fit for carrying this Scheme into effect.
- 20.3. Upon approval of the Scheme by the Tribunal, the respective shareholders of both the Companies involved in the Scheme shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the provisions contained in this Scheme.

## **21. MODIFICATIONS/ AMENDMENTS TO THE SCHEME**

- 21.1. Both the Companies involved in the Scheme, represented by their respective Board of Directors, may make or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the NCLT or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e., the Board of Directors).
- 21.2. The Boards of the Companies involved in the Scheme shall be at liberty to withdraw from this Scheme, in case of any condition or alteration imposed by the NCLT or any other authority or any bank or financial institution is unacceptable to them or otherwise if so mutually agreed.
- 21.3. Both the Companies involved in the Scheme, through their respective Board of Directors, shall be authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, whether by reason of any directive or order of any other authority or otherwise, however arising out of or under or by virtue of the Scheme or any matter concerned or connected therewith.
- 21.4. The Demerged Company and the Resulting Company shall execute such agreements/documents as may be necessary: (i) for implementation of the Scheme and for facilitating the integration of the Demerged Undertaking into the Resulting Company; and (ii) to provide representations, warranties and indemnities in favor of the Demerged Company or shareholders of the Demerged Company.

## **22. WRONG POCKET ASSETS**

- 22.1. If any part of the Demerged Undertaking, including any amount forming part of the Demerged Undertaking received by the Demerged Company after the Effective Date, is not transferred to the Resulting Company on the Effective Date, the Demerged Company shall take such actions as may be reasonably required to ensure that such part of the Demerged Undertaking is transferred to the Resulting Company promptly and for no further consideration. The Resulting Company shall bear all costs and expenses as may be incurred by the Demerged Company for giving effect to this Clause.
- 22.2. If the Resulting Company realizes that any assets received by it after the Effective Date, including any amounts received by it after the Effective Date, pertain to the Remaining Undertaking, the Resulting Company shall take such actions as may be reasonably required to ensure that such part of the Remaining Undertaking is promptly transferred to the Demerged Company (at the cost and expense of the Resulting Company).

## **23. SEVERABILITY**

- 23.1. The provisions contained in this Scheme are inextricably inter-linked with the other provisions and the Scheme constitutes an integral whole. The Scheme would be given effect to only if the Scheme is approved in its entirety, unless specifically agreed otherwise by the respective Boards of each of the Companies.
- 23.2. Subject to Clause 23.1 above, if any part of this Scheme is invalid, ruled illegal by any court/governmental authority, or unenforceable under present or future laws, then it is the intention of the Demerged Company and the Resulting Company 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 the Demerged Company or the Resulting Company, in which case the Demerged Company or the Resulting Company may, through mutual consent and acting through its respective Board of Directors, attempt to bring about appropriate modification to this Scheme as will best preserve for each company the benefits and obligations of this Scheme, including but not limited to such part.

## **24. EFFECT OF NON-RECEIPT OF APPROVALS/ SANCTIONS**

In the event of any of the said sanctions or approvals not being obtained or the Scheme not being sanctioned by the NCLT, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights 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.

## **25. COST, CHARGES, AND EXPENSES**

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

## **26. MISCELLANEOUS**

The approval of this Scheme by the shareholders of the respective Companies under Sections 230 to 232 of the Act shall be deemed to have the approval under Sections 13, 14, 180 and other applicable provisions of the Act and any other consents and approvals required in this regard.

The Board of the Demerged Company shall solely determine whether any asset, liability, Employee, legal or other proceeding forms a part of the Demerged Undertaking or not, basis evidence that it might deem relevant for this purpose.

### **SCHEDULE – 1**

This Schedule forms an integral part of the Scheme in relation to Demerger of the Demerged Undertaking of Mylan Laboratories Limited into Mylan Healthcare Private Limited and their respective shareholders.

Immovable properties relating to the Demerged Undertaking of Mylan Laboratories Limited proposed to be transferred pursuant to Demerger:

S. No.	Particulars	Regd. Sale Deed Document No.	Regd. Sale Deed Date
	<b>Land and Buildings</b>		
1	Plot No. 1606, admeasuring 2160 square meter, along with 2214.71 square meter constructed area, in the notified Industrial Estate of GIDC Sarigam, situated lying and being within the village limits of Sarigam, Tal – Umbergaon, District – Valsad, Gujarat	UMG 4079	09, November 2015
2	Plot No. 1607, admeasuring 2160 square meter, along with 1265.73 square meter constructed area, in the Sarigam Industrial Area/Estate, consisting of revenue survey number 469/P within the village limits of Fansa, Tal – Umbergaon, Dist – Valsad, Gujarat	UMG 4107	18 November, 2015
3	Plot No. 1608 and 1609, admeasuring 6210 square meters, together with ownership rights in the 7515.21 square meters constructed area, being in the notified Industrial Area of GIDC Sarigam, Tal – Umbergaon, Dist – Valsad, Gujarat	UMG 4080	09 November, 2015
4	Flat No, D 1001, Tenth Floor, Gala Gardenia, Bopal, Daskroi, Ahmedabad, Gujarat	AHD-09-BPL, 5322	17 May, 2018
5	Flat No, D 1002, Tenth Floor, Gala Gardenia, Bopal, Daskroi, Ahmedabad, Gujarat	AHD-09-BPL, 5324	11 May, 2018
6	Plot No. 20 and 21 admeasuring 24315 square meters carved out of survey numbers 479/1/p, 484, 485, 482/p, 490, 491/2, 491/3 and 492/p, lying and being at moje Matoda in pharmaceutical SEZ of village Matoda, Sari and Chacharwadi Vasna, taluk – Sanand in registration district of Ahmedabad and sub district of Sanand, Gujarat	598	31 January, 2017