

Before the Hon'ble National Company Law Tribunal, Hyderabad Bench  
At Hyderabad

C.A. (CAA) No 985/ 230/HDB/2018

In the matter of the Companies Act, 2013

And

In the matter of M/s. Madaus Pharmaceuticals Private Limited ("Transferor Company")

And

In the matter of M/s. Mylan Laboratories Limited ("Transferee Company")

And

Their respective Shareholders

M/s. Mylan Laboratories Limited  
Having registered office at  
Plot No.564/A/22 Road No.92, Jubilee Hills,  
Hyderabad – 500 096, Telangana, India,  
Rep. by its Company Secretary,  
Mr. B. Nagaraj Goud

.... Transferee Company

**NOTICE CONVENING MEETING OF THE UNSECURED CREDITORS OF THE  
TRANSFEREE COMPANY**

Notice is hereby given that by an order dated the 24<sup>th</sup> day of December, 2018, the Hon'ble National Company Law Tribunal, Hyderabad Bench at Hyderabad has directed that the meeting of Unsecured Creditors of M/s. Mylan Laboratories Limited be held on Saturday, 16<sup>th</sup> day of February, 2019 at 11.00 A.M. for the purpose of considering, and if thought fit, approving with or without modifications, the proposed Scheme of Amalgamation of M/s. Madaus Pharmaceuticals Private Limited (Transferor Company) with M/s. Mylan Laboratories Limited (Transferee Company) and their respective shareholders.

In pursuance of the said order and as directed therein, further notice is hereby given that the meeting of Unsecured Creditors of M/s Mylan Laboratories Limited will be held at Hotel Park Hyatt, Road Number 2, Banjara Hills, Hyderabad, Telangana 500034, India on Saturday, 16th day of February, 2019 at 11:00 A. M. at which time and place the said Unsecured Creditors of the above named company are requested to attend.

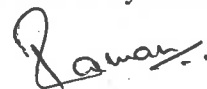
Copies of the Scheme and the statement under Section 230 of the Companies Act, 2013 can be had free of charge at the registered office of M/s Mylan Laboratories Limited, Transferee Company or at the office of its Advocates Shri V.S. Raju & Shri V.B. Raju at their Chambers 106, Dhanunjaya Towers, Road No.1, Banjara Hills, Hyderabad - 500 034.

Persons entitled to attend and vote at the meeting of the Unsecured Creditors may vote in person or by proxy provided that the proxies in the prescribed form, duly signed, are deposited at the registered office of M/s Mylan Laboratories Limited, Transferee Company at Plot No.564/A/22 Road No.92, Jubilee Hills, Hyderabad - 500096, Telangana, India, not later than forty eight hours before the meeting.

In case of Body Corporates which are registered Unsecured Creditor of the Transferee Company may attend and vote at the meeting through their Authorised Representative provided that the Authorised Representative are duly authorised to attend and vote at the meeting and a certified true copy of the resolution of such Body Corporate is deposited at the registered office of M/s Mylan Laboratories Limited, Transferee Company at Plot No.564/A/22 Road No.92, Jubilee Hills, Hyderabad - 500096, Telangana, India, not later than forty eight hours before the meeting.

The Hon'ble National Company Law Tribunal, Hyderabad Bench has appointed Mr. K.V. Raman as Chairman for the Unsecured Creditors meeting. The Hon'ble National Company Law Tribunal, Hyderabad Bench has appointed Mr. S.V. Sai Phanidhar, Advocate as Scrutinizer for the Unsecured Creditors meeting. The Scheme, if approved in the meeting, will be subject to the subsequent approval of the Hon'ble National Company Law Tribunal, Hyderabad Bench at Hyderabad.

Dated this 11<sup>th</sup> day of January, 2019 at Hyderabad



(Sd)

K.V. Raman

Advocate

Chairman appointed

for the Unsecured Creditors Meeting

Address: R/o.1-5-237/3, New Maruthi Nagar,  
Kothapet, Hyderabad-500060.



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

C.A. (CAA) No. 985/230/HDB/2018

In the matter of the Companies Act, 2013

And

In the matter of M/s. Madaus Pharmaceuticals Private Limited  
(‘Transferor Company’)

And

In the matter of M/s. Mylan Laboratories Limited (‘Transferee Company’)

And

Their respective Shareholders

M/s. Mylan Laboratories Limited  
Having registered office at  
Plot No.564/A/22 Road No.92, Jubilee Hills,  
Hyderabad – 500 096, Telangana, India,  
Rep. by its Company Secretary,  
Mr. B. Nagaraj Goud

....the Second Applicant Company/Transferee Company

**NOTICE CONVENING MEETING OF THE UNSECURED CREDITORS**

To

The Unsecured Creditors of  
M/s. Mylan Laboratories Limited,

Take notice that by an order dated the 24<sup>th</sup> day of December, 2018, the Hon'ble National Company Law Tribunal, Hyderabad Bench at Hyderabad has directed that a meeting of unsecured creditors of M/s. Mylan Laboratories Limited be held at Hotel Park Hyatt, Road Number 2, Banjara Hills, Hyderabad, Telangana 500034, India on Saturday, 16<sup>th</sup> day of February, 2019 at 11:00 A.M. for the purpose of considering, and if thought fit, approving with or without modification, the Scheme of Amalgamation proposed between M/s. Madaus Pharmaceuticals Private Limited (“Transferor Company”) and M/s. Mylan Laboratories Limited (“Transferee Company”) and their respective shareholders (“Scheme”).

Take further notice that in pursuance of the said order, a meeting of unsecured creditors of M/s Mylan Laboratories Limited will be held at Hotel Park Hyatt, Road Number 2, Banjara Hills, Hyderabad, Telangana 500034, India on Saturday, 16<sup>th</sup> day of February, 2019 at 11:00A.M. at which 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 the provisions of Sections 232 read with 230 and other applicable provisions, if any, of the Companies Act, 2013 along with the related rules and enabling provisions in the Memorandum and Articles of Association of the Company, subject to the requisite approvals and subject to the sanction of the National Company Law Tribunal ("Tribunal"), Hyderabad Bench at Hyderabad, consent of the unsecured creditors be and is hereby accorded for the Scheme of Amalgamation of M/s. Madaus Pharmaceuticals Private Limited ("Transferor Company") with M/s. Mylan Laboratories Limited ("Transferee Company") and their respective shareholders (the "**Scheme**") placed before this meeting and initialled by the Chairman for the purpose of identification, be and is hereby approved.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (the "Board") be and is hereby authorized to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangements embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper."

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 is duly signed by you or your authorized representative and is deposited at the registered office of the Company at Plot No.564/A/22, Road No.92, Jubilee Hills, Hyderabad - 500096, Telangana, India, not later than 48 hours before the commencement of the meeting.

In case of Body Corporates which are registered unsecured creditors of the Transferee Company, may attend and vote at the meeting through their authorised representative provided that the authorised representative are duly authorised to attend and vote at the meeting and a certified true copy of the resolution of such Body Corporate is deposited at the registered office of M/s Mylan Laboratories Limited, Transferee Company at Plot No.564/A/22 Road No.92, Jubilee Hills, Hyderabad - 500096, Telangana, India, not later than 48 hours before the meeting.

The Hon'ble National Company Law Tribunal, Hyderabad Bench at Hyderabad has appointed Mr. K.V. Raman, Advocate to be the chairman of the said meeting.

The Hon'ble National Company Law Tribunal, Hyderabad Bench at Hyderabad has appointed Mr. S.V. Sai Phanidhar, Advocate as Scrutinizer of the said meeting.



A copy of the Scheme, the statement under sections 230, 232 and 102 and other applicable provisions of the Companies Act, 2013 and Rules framed there under, Form of Proxy, attendance slip are enclosed herewith. This notice convening meeting of unsecured creditors of the Transferee Company along with the aforesaid documents are placed on the website of the Company, i.e., [www.mylan.in](http://www.mylan.in)

Dated this 11<sup>th</sup> day of January, 2019  
At Hyderabad

Mr. K.V. Raman  
Advocate  
Chairman appointed  
for the Unsecured Creditors  
Meeting  
Address: R/o.1-5-237/3, New  
Maruthi Nagar, Kothapet,  
Hyderabad-500060.

**Notes:**

1. 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 Transferee Company. The proxy form in order to be effective must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
2. Any alteration made in the proxy form shall be initialed.
3. Only unsecured creditors of the Transferee Company may attend and vote (either in person or by Proxy) or by authorised representative under Sections 112 and 113 and other applicable provisions of the Companies Act, 2013 at the meeting. The authorised representative of a body corporate which is a registered unsecured creditor of the Transferee Company may attend and vote at the meeting provided that a 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 Transferee Company not later than 48 (forty eight) hours before the commencement of the meeting.
4. The quorum of the meeting of the unsecured creditors of the Transferee Company Shall be 20(Twenty) unsecured creditors of the Transferee Company, present in person or by way of proxy as per the order passed by the Hon'ble National Company Law Tribunal, Hyderabad Bench at Hyderabad.
5. The form of proxy can be obtained free of charge from the registered office of the Transferee Company.
6. The unsecured creditors and/or their proxies are requested to bring the attendance slip duly completed and signed for attending the meeting.
7. The notice, together with the documents accompanying the same, is being sent to the unsecured creditors by ordinary post.



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 Transferee 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.
9. The notice convening the aforesaid meeting will be published in the English and Regional Language Newspapers.
10. The route map to the venue of the meeting is furnished herewith and forms part of the notice.
11. Pursuant to section 232(2) of the Companies Act, 2013, the following information is being circulated for the meeting:
  - (a) the proposed Scheme of Amalgamation adopted by the directors of the said Company is enclosed as **Exhibit 1** to this notice;
  - (b) A copy of the acknowledgment obtained for proposed notice along with Scheme filed with the Registrar of Companies, Telangana, on 7<sup>th</sup> day of January, 2019 through an e-Form GNL-1 vide SRN H41186842.



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

C.A. (CAA) No. 985/ 230/HDB/2018

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Their respective Shareholders

M/s. Mylan Laboratories Limited  
Having registered office at  
Plot No.564/A/22 Road No.92, Jubilee Hills,  
Hyderabad – 500 096, Telangana, India,  
Rep. by its Company Secretary,  
Mr. B. Nagaraj Goud

....the Second Applicant Company/Transferee Company

**EXPLANATORY STATEMENT UNDER SECTION 230, 232 AND 102  
OF THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER**

In this statement, M/s. Madaus Pharmaceuticals Private Limited is referred to as the “First Applicant Company” or “Transferor Company” and M/s. Mylan Laboratories Limited is referred to as the “Second Applicant Company” or “Transferee Company”. The other definitions contained in the enclosed Scheme of Amalgamation (“Scheme”) will apply to this Explanatory Statement.

The following statement as required under Sections 230, 232 and Section 102 of the Companies Act, 2013, sets forth the details of the Scheme, its effects and any material interests of the directors and Key Managerial Personnel in their capacity as members.

1. This is a statement accompanying the notice convening the meeting of unsecured creditors of the Transferee Company, pursuant to the order dated the 24<sup>th</sup> day of December, 2018 passed by the Hon’ble National Company Law Tribunal, Hyderabad Bench at Hyderabad in CA(CAA) No.985/230/HDB/2018, to be held Hotel Park Hyatt, Road Number 2, Banjara Hills, Hyderabad, Telangana 500034, India on Saturday, 16<sup>th</sup> day of February, 2019 at 11:00A.M. for the purpose of considering and, if thought fit, approving with or without modifications, the proposed Scheme of Amalgamation of M/s. Madaus Pharmaceuticals Private Limited (“Transferor Company”) with M/s. Mylan Laboratories Limited (“Transferee Company”) and their respective shareholders (“Scheme”) with effect from April 1, 2018.

*Raman*

**Background of the Companies involved in the Scheme are as under:**

2. Madaus Pharmaceuticals Private Limited, (E-mail id: Sivakiran.Kuncham1@mylan.in), (CIN: U24230TG1996PTC124476), (PAN: AAACM4479Q) is a private limited company incorporated under the provisions of the Companies Act, 1956 on February 28, 1996 and, having its registered office at Plot No.564/A/22, Road No.92, Jubilee Hills, Hyderabad - 500096, Telangana, India.
3. Mylan Laboratories Limited, (E-mail id: nagaraj.bodige@mylan.in), (CIN: U24231TG1984PLC005146), (PAN: AADCM3491M) is an unlisted public limited company incorporated under the provisions of the Companies Act, 1956 on November 29, 1984, having its registered office at Plot No.564/A/22, Road No.92, Jubilee Hills, Hyderabad - 500096, Telangana, India.
4. The Transferor Company is primarily engaged in the business of manufacture of Laxavites i.e. Agiolax and Agiocur. The main objects are set out in the Memorandum of Association. They are briefly as under:-

*"To carry on the business as exporters, importers, buyers, sellers, distributors, dealers and manufacturers of ingredients, reagents, catalysts, mixtures, derivatives, intermediates, compounds, processed or semi processed products, industrial agricultural pharmaceutical and medical preparations including pharmaceutical and medical products, bulk drugs and chemicals, foodstuffs, beverages, wines, tonics, flowers, medical plants, hospital requisites, surgical and other ligatures, syringes, etc., cosmetics, beauty products and articles of personal beauty, toilet requisites, dye, dyestuffs, chemicals, petrochemicals, bio-chemicals and natural fibers."*

5. The Transferee Company is primarily engaged in the business manufacture of Active Pharmaceutical Ingredients (APIs), finished dosage formulations and injectables and in research and development activities. The main objects are set out in the Memorandum of Association. They are briefly 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 Industrial or businessmen who has contracted with the company of the above services."

6. The authorised, issued, subscribed and paid-up share capital of the Transferor Company as on 31<sup>st</sup> March, 2018 is as under:

Authorised Capital	Amount (INR)
5,30,00,000 Equity Shares of INR 10 each	53,00,00,000
<b>Total</b>	<b>53,00,00,000</b>
Issued, Subscribed and Paid-up Capital	Amount (INR)
3,30,00,000 Equity Shares of INR 10 each fully paid-up	33,00,00,000
<b>Total</b>	<b>33,00,00,000</b>

As on date, the entire share capital of Transferor Company is held by Transferee Company and its nominee. Accordingly, Transferor Company is a wholly owned subsidiary of Transferee Company.

Subsequent to March 31, 2018, there has been no change in the share capital of the Transferor Company.

7. The authorised, issued, subscribed and paid-up share capital of the Transferee Company as on 31<sup>st</sup> March, 2018 is as under:

*Ramona*

Authorised Capital	Amount (INR)
36,00,00,000 Equity Shares of INR 2 each	72,00,00,000
<b>Total</b>	<b>72,00,00,000</b>
Issued, Subscribed and Paid-up Share	Amount (INR)
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>

8. The summary of the audited financial statements of M/s Madaus Pharmaceuticals Private Limited /Transferor Company as at March 31, 2018 is given below:-

PARTICULARS		(Amount in Rs)
<b>EQUITY AND LIABILITIES :</b>		
A	Share Holders' Funds	
	(a) Share Capital	330,000,000
	(b) Reserve and Surplus	495,058,175
	<b>Total (A)</b>	<b>825,058,175</b>
B	Non-current Liabilities	
	(a) Long term provisions	4,992,510
	<b>Total (B)</b>	<b>4,992,510</b>
B	Current Liabilities	
	(a) Trade Payables	56,336,640
	(b) Other Current Liabilities	2,728,223
	(c) Short Term Provisions	3,807,239
	<b>Total (C)</b>	<b>62,872,002</b>
	<b>Total Liabilities (A+B+C)</b>	<b>892,922,687</b>
<b>ASSETS :</b>		
A	Non-Current Assets	
	(a) Property, plant and equipment	
	Tangible assets	40,014,226
	Intangible assets	593,188
	Capital Work in Progress	380,600
	(b) Deferred tax assets	16,899,929
	(c) Long Term Loans and advances	5,186,067
	<b>Total (A)</b>	<b>63,074,010</b>
B	Current Assets	
	(a) Inventories	165,910,244
	(b) Trade Receivables	54,076,686
	(c) Cash and bank balances	535,132,446
	(d) Short term loans and advances	38,260,864
	(e) Other current assets	36,468,437
	<b>Total (B)</b>	<b>829,848,677</b>
	<b>Total Assets (A+B)</b>	<b>892,922,687</b>

9. The summary of the audited financial statements of M/s Mylan Laboratories Limited/Transferee Company as at March 31, 2018 is given below:-

*Rama*

PARTICULARS		(Rs in Mn)
<b>EQUITY AND LIABILITIES :</b>		
A	Share Holders' Funds	
	(a) Share Capital	487.03
	(b) Other equity	76,634.93
	<b>Total (A)</b>	<b>77,121.96</b>
B	Non current Liabilities	
	(a) Financial Liabilities	
	Borrowings	82,684.31
	(b) Provisions	303.32
	(c) Other non-current liabilities	2,979.35
	<b>Total (B)</b>	<b>85,966.98</b>
D	Current Liabilities	
	(a) Financial Liabilities	
	Trade payables	20,382.78
	Other financial liabilities	7,612.02
	(b) Other current liabilities	574.00
	(c) Provisions	1,193.36
	(d) Income-tax liabilities (net)	225.91
	<b>Total (C)</b>	<b>29,988.07</b>
	<b>Total Liabilities (A+B+C)</b>	<b>193,077.01</b>
<b>ASSETS :</b>		
A	Non-Current Assets	
	(a) Property, plant and equipment	39,251.78
	(b) Capital work in progress	3,664.92
	(c) Goodwill	13,684.48
	(d) Other intangible assets	37,781.44
	(e) Financial assets	
	Investments	2.25
	Other financial assets	1,169.75
	(f) Other non-current assets	635.88
	(g) Income tax assets (net)	3,890.07
	<b>Total (A)</b>	<b>100,080.57</b>
B	Current Assets	
	(a) Inventories	37,993.06
	(b) Financial assets	
	Trade receivables	36,016.28
	Cash and cash equivalents	333.28
	Other bank balances	18.60
	Loans	3,809.64
	Other financial assets	2,255.38
	(c) Other current assets	11,407.55
	(d) Assets held for sale	1,162.65
	<b>Total (B)</b>	<b>92,996.44</b>
	<b>Total Assets (A+B)</b>	<b>193,077.01</b>


*Rawan*

**The rationale of the Scheme inter-alia provides for the following:**

10. Both the Transferor Company and Transferee Company are closely held group companies. The proposed amalgamation, integration and consolidation of the Transferor Company with the Transferee Company would have the following benefits:
- a. *To achieve greater integration and greater financial strength and flexibility, to maximize overall shareholder value and improve the competitive position of the combined entity.*
  - b. *To achieve cost savings from more focused operational efforts, rationalization, standardization and simplification of business processes, productivity improvements and rationalization of administrative expenses.*
  - c. *The amalgamation will provide for pooling of the managerial, technical and financial resources of the Transferor Company and the Transferee Company, which will help in increasing the competitiveness of the Transferee Company.*
  - d. *The amalgamation will result in reduction in overheads including administrative, managerial and other expenditure, operational rationalization, organizational efficiency, and optimal utilization of resources.*
  - e. *The amalgamation will result in simplification of group structure and will reduce multiplicity of legal and regulatory compliances required at present to be carried out by the Transferor Company and the Transferee Company.*
  - f. *The amalgamation is in the interest of the shareholders, creditors and all other stakeholders of the respective companies and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.*

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

11. The Resolution is subject to the confirmation of the Scheme by the Hon'ble National Company Law Tribunal at Hyderabad and/or appropriate authorities as may be necessary under the applicable law.



12. The present Directors of the Transferor Company are:

S.No.	Name of the Directors	Address
1	Sarada Kalyani Bhagawati	H. No. 1-1-380/38, Ashok Nagar Extension, Hyderabad – 500020, Telangana, India
2	Ashutosh Ramchandra Rawal	10/Ug-2, Kamat Kinara, Caranzalem, Miramar Panaji – 403002, Goa, India

13. The present Directors of the Transferee Company are:

S.No.	Name of the Directors	Address
1	Rajiv Krishan Luthra	3/15, Shanti Niketan, New Delhi, 110021, Delhi, India
2	Mohit Saraf	Farm No 2, Kapashera Village, Farm House, Delhi, 110037, Delhi, India
3	Rajiv Malik	Villa – 82, Meenakshi Bamboos, Survey 38, 39, Opp Ramky Towers, Gachibowli, Serilingampally, K V Rangareddy – 500032, Telangana, India
4	Sarada Kalyani Bhagawati	H. No. 1-1-380/38, Ashok Nagar Extension, Hyderabad – 500020, Telangana, India
5	Rakesh Bamzai	No.79/12, Tuisi Sunny Brooks, Sarjapur Road, Doddakannahalli, Bangalore Rural, 560035, Karnataka, India

14. In view of the aforesaid advantages, the Board of Directors of M/s Madaus Pharmaceuticals Private Limited /Transferor Company vide their resolution dated September 07, 2018 approved the Scheme of Amalgamation of M/s Madaus Pharmaceuticals Private Limited with M/s Mylan Laboratories Limited and their respective shareholders.

The name of Directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution are:

Voted in favour	Voted against	Absent
Sarada Kalyani Bhagawati	-	-
Ashutosh Ramchandra Rawal	-	-

The Board of Directors of the Transferee Company vide its resolution dated 10<sup>th</sup> September, 2018 also approved the Scheme of Amalgamation of M/s Madaus Pharmaceuticals Private Limited with M/s Mylan Laboratories Limited and their respective shareholders.

*Rawal*

o The name of Directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution are:

Voted in favour	Voted against	Absent
-	-	Rajiv Krishan Luthra
Mohit Saraf	-	-
Malik Rajiv	-	-
Sarada Kalyani Bhagawati	-	-
Rakesh Bamzai	-	-

15. None of the Directors of the companies involved in the Scheme has any material interest in the said Scheme except as shareholders in general, to the extent of which it will appear from the Register of the Directors' shareholding maintained by the companies involved in the Scheme.
16. None of the KMPs of the companies involved in the Scheme has any material interest in the said Scheme except as employees in general.
17. In view of the above advantages, it is proposed that the Transferor Company be merged with the Transferee Company with effect from the Appointed Date i.e., April 1, 2018 or such other date as the Hon'ble National Company Law Tribunal, Hyderabad Bench at Hyderabad or such other authorities may direct / fix, which will be not only beneficial to its shareholders but also to its employees and creditors.
18. The entire issued and paid-up equity share capital of the Transferor Company is held by the Transferee Company. Accordingly, the shares held by the Transferee Company in the Transferor Company shall, on and from the end of the Transition Period, be cancelled or shall be deemed to have been cancelled without any further act or deed, and accordingly, no shares of the Transferee Company shall be issued to the shareholders of the Transferor Company in lieu of the said amalgamation.
19. The Scheme does not affect the rights of the Creditors of the Transferor Company and the Transferee Company. There will not be any reduction in amounts payable to the creditors of the Transferor Company and the Transferee Company post sanctioning of the Scheme.
20. The Board of the Transferor Company and the Transferee Company are of the view that the rights and obligations of each of the equity shareholders of

*Rama*

the Transferor Company and Transferee Company respectively are not impacted in any way post sanctioning of the Scheme.

21. The Key Managerial Personnel and the Employees of the Transferee Company in service shall remain Key Managerial Personnel and Employees in the Transferee Company post sanctioning of the Scheme without any interruption in their service. Further, the terms and conditions of their employment with the Transferee Company shall not be less favourable than those applicable to them with reference to their employment prior to the sanctioning of the Scheme.
22. The Employees of the Transferor Company in service shall be deemed to have become the Employees of the Transferee Company without interruption in their service. Further, the terms and conditions of their employment with the Transferee Company shall not be less favourable than those applicable to them with reference to their employment with the Transferor Company.
23. The amount due to the unsecured creditors as on August 31, 2018 is INR 117,732,996,136.53.
24. Scheme would not be prejudicial to the interests of the shareholders or creditors, if any, of either of the companies. There is no likelihood that any secured or unsecured creditor of either of the companies would lose or be prejudiced as a result of the 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 Transferor Company or the Transferee Company, nor will it affect the interest of any of the shareholders or creditors, as post amalgamation.
25. As on date, there are no proceedings/investigation pending against the Transferor Company and the Transferee Company under Sections 210 to 217, 219, 220, 223, 224, 225, 226 & 227 of the Act.
26. The notice of the proposed meeting and the Scheme shall be filed with the Registrar of Companies, Regional Director, the Income Tax Authorities and the Official Liquidator and the representation if any to the Scheme shall be made within thirty days of receipt of such notice. It may be noted that there are no sectoral regulators which needs to be informed in the present case.
27. A copy of the Scheme setting out the terms and conditions of the amalgamation of Transferor Company with the Transferee Company and their respective shareholders as approved by the Board of Directors of the

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respective companies in their respective Board Meetings is enclosed herewith.

28. The proposed Scheme is in the best interests of the Transferor Company and Transferee Company and their respective shareholders.
29. Unsecured creditor entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him and such proxy need not be an unsecured creditor of the Transferee Company. The instrument appointing the proxy should however be deposited at the registered office of the Transferee Company not later than 48 (forty eight) hours prior to the commencement of the meeting.
30. Unsecured creditors who are body corporates, shall authorize any person to act as its representative at the meeting by means of a Board Resolution. The certified true copy of such resolution as signed by the director/ manager/ secretary of the body corporate shall be deposited at the registered office of the Transferee Company not later than 48 (forty eight) hours prior to the commencement of the meeting.
31. A copy of the proposed notice along with Scheme has been filed with the Registrar of Companies, Telangana, on 7<sup>th</sup> day of January, 2019 through an e-Form GNL-1 vide SRN H41186842
32. Copy of the Scheme and of this 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 Transferee Company.
33. 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 Transferee 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 Transferee Company.
  - b) Latest audited financial statements of the Transferee Company as on March 31, 2018.
  - c) Copy of the order of the Hon'ble National Company Law Tribunal, Hyderabad Bench dated 24<sup>th</sup> day of December, 2018.
  - d) Copy of the Scheme of Amalgamation of M/s Madaus Pharmaceuticals Private Limited with M/s Mylan Laboratories Limited and their respective shareholders.





- e) Copy of the contracts or arrangements material to the Scheme.
- f) Copy of the certificate issued by the statutory auditor of the Transferee Company, BSR & Associates LLP, 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.
- g) Register of Directors, shareholdings of Directors and members of the Transferee Company.

Dated this 11<sup>th</sup> day of January, 2019



(Sd) Mr. K.V. Raman  
Advocate  
Chairman appointed  
for the Unsecured Creditors Meeting  
Address: R/o.1-5-237/3, New Maruthi  
Nagar, Kothapet, Hyderabad-500060. °



**SCHEME OF AMALGAMATION**  
**OF**  
**MADAUS PHARMACEUTICALS PRIVATE LIMITED**  
**(TRANSFEROR COMPANY)**  
**WITH**  
**MYLAN LABORATORIES LIMITED**  
**(TRANSFeree COMPANY)**  
**AND**  
**THEIR RESPECTIVE SHAREHOLDERS**

**(UNDER SECTION 232 READ WITH SECTION 230 OF THE COMPANIES ACT,  
2013 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013  
AND RULES FRAMED THEREUNDER)**



*Sanjay*

## GENERAL

### **I. PREAMBLE**

This Scheme of Amalgamation (hereinafter referred to as "Scheme") is presented under Section 232 read with Section 230 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder, for the amalgamation of Madaus Pharmaceuticals Private Limited (hereinafter referred to as "MPPL" or "Transferor Company") with Mylan Laboratories Limited (hereinafter referred to as "MLL" or "Transferee Company"), and dissolution of Transferor Company without going through the process of winding up under the provisions of the Act (as defined hereinafter). This Scheme also provides for various other matters consequential, supplemental and/or otherwise integrally connected therewith.

### **II. DESCRIPTION OF COMPANIES**

1. Madaus Pharmaceuticals Private Limited, (E-mail id: Sivakiran.Kuncham1@mylan.in), (CIN: U24230TG1996PTC124476), (PAN: AAACM4479Q) is a private limited company incorporated under the provisions of the Companies Act, 1956 on February 28, 1996 and, having its registered office at Plot No.564/A/22 Road No.92, Jubilee Hills, Hyderabad - 500096, Telangana, India.
  
2. Mylan Laboratories Limited, (E-mail id: nagaraj.bodige@mylan.in), (CIN: U24231TG1984PLC005146), (PAN: AADCM3491M) is an unlisted public limited company incorporated under the provisions of the Companies Act, 1956 on November 29, 1984, having its registered office at Plot No.564/A/22 Road No.92, Jubilee Hills, Hyderabad - 500096, Telangana, India.

### **III. RATIONALE FOR THE SCHEME**

The Amalgamation of the Transferor Company with the Transferee Company would *inter alia* have the following benefits:



- (i) To achieve greater integration and greater financial strength and flexibility, to maximize overall shareholder value and improve the competitive position of the combined entity.
- (ii) To achieve cost savings from more focused operational efforts, rationalization, standardization and simplification of business processes, productivity improvements and rationalization of administrative expenses.
- (iii) The amalgamation will provide for pooling of the managerial, technical and financial resources of the Transferor Company and the Transferee Company, which will help in increasing the competitiveness of the Transferee Company.
- (iv) The amalgamation will result in reduction in overheads including administrative, managerial and other expenditure, operational rationalization, organizational efficiency, and optimal utilization of resources.
- (v) The amalgamation will result in simplification of group structure and will reduce multiplicity of legal and regulatory compliances required at present to be carried out by the Transferor Company and the Transferee Company.
- (vi) The amalgamation is in the interest of the shareholders, creditors and all other stakeholders of the respective companies and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.

*Raman*

#### IV. PARTS OF THE SCHEME:

The Scheme is divided into the following parts:

- 1) **Part A** – dealing with preliminary of the Scheme, definitions of the terms used in this Scheme and sets out the share capital of the Transferor Company and the Transferee Company;
- 2) **Part B** – dealing with the transfer and vesting of the Undertaking of the Transferor Company to and in the Transferee Company;
- 3) **Part C** – dealing with the accounting treatment for the amalgamation; and
- 4) **Part D** – dealing with the dissolution of the Transferor Company and the general terms and conditions applicable to this Scheme and other matters consequential and integrally connected thereto.

*Ramona*

**PART A****PRELIMINARY, DEFINITIONS AND INTERPRETATION****1. PRELIMINARY**

- 1.1. The Transferor Company is primarily engaged in the **business of manufacture of Laxavites i.e. Agiolax and Agiocur**. The main objects are set out in the Memorandum of Association. They are briefly as under:-

*"To carry on the business as exporters, importers, buyers, sellers, distributors, dealers and manufacturers of ingredients, reagents, catalysts, mixtures, derivatives, intermediates, compounds, processed or semi processed products, industrial agricultural pharmaceutical and medical preparations including pharmaceutical and medical products, bulk drugs and chemicals, foodstuffs, beverages, wines, tonics, flowers, medical plants, hospital requisites, surgical and other ligatures, syringes, etc., cosmetics, beauty products and articles of personal beauty, toilet requisites, dye, dyestuffs, chemicals, petrochemicals, bio-chemicals and natural fibers."*

- 1.2. The Transferee Company is primarily engaged in the **business manufacture of Active Pharmaceutical Ingredients (APIs), finished dosage formulations and injectables and in research and development activities**. The main objects are set out in the Memorandum of Association. They are briefly 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.*

*Lawan*

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 Industrial or businessmen who has contracted with the company of the above services."

1.3 The Transferor Company is a wholly owned subsidiary of the Transferee Company.

1.4 **The present Directors of the Transferor Company are as follows:**

S.No.	Name of the Directors	Address
1	Sarada Kalyani Bhagawati	H. No. 1-1-380/38, Ashok Nagar Extension, Hyderabad - 500020, Telangana, India
2	Ashutosh Ramchandra Rawal	10/Ug-2, Kamat Kinara, Caranzalem, Miramar Panaji - 403002, Goa, India

1.5 **The present Directors of the Transferee Company are as follows:**

S.No.	Name of the Directors	Address
1	Rajiv Krishan Luthra	3/15, Shanti Niketan, New Delhi, 110021, Delhi, India
2	Mohit Saraf	Farm No 2, Kapashera Village, Farm House, Delhi, 110037,

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		Delhi, India
3	Rajiv Malik	Villa – 82, Meenakshi Bamboos, Survey 38, 39, Opp Ramky Towers, Gachibowli, Serilingampally, K V Rangareddy – 500032, Telangana, India
4	Sarada Kalyani Bhagawati	H. No. 1-1-380/38, Ashok Nagar Extension, Hyderabad – 500020, Telangana, India
5	Rakesh Bamzai	No.79/12, Tuisi Sunny Brooks, Sarjapur Road, Doddakannahalli, Bangalore Rural, 560035, Karnataka, India

1.6 The Scheme does not affect the rights of the creditors of the Transferor Company and the Transferee Company. There will not be any reduction in amounts payable to the creditors of the Transferor Company and the Transferee Company post sanctioning of the Scheme.

1.7 The Board of the Transferor Company and the Transferee Company are of the view that the rights and obligations of each of the equity shareholders of the Transferor Company and Transferee Company respectively are not impacted in any way post sanctioning of the Scheme. The Employees (as defined hereinafter) of the Transferor Company in service shall be deemed to have become the Employees of the Transferee Company without interruption in their service. Further, the terms and conditions of their employment with the Transferee Company shall not be less favourable than those applicable to them with reference to their employment with the Transferor Company.

1.8 The Key Managerial Personnel (as defined hereinafter) and the Employees (as defined hereinafter) of the Transferee Company in service shall remain Key Managerial Personnel and Employees in the Transferee Company post

*Ramesh*

sanctioning of the Scheme without any interruption in their service. Further, the terms and conditions of their employment with the Transferee Company shall not be less favourable than those applicable to them with reference to their employment prior to the sanctioning of the Scheme.

- 1.9 There are no proceedings/investigation pending against the Transferor Company and the Transferee Company under Sections 210 to 217, 219, 220, 223, 224, 225, 226 & 227 of the Companies Act, 2013.

## 2. Definitions

In this Scheme, unless repugnant to the context, the following expressions shall have the following meaning:

- 2.1 **"Act"** means the Companies Act, 2013 and applicable Rules thereunder and shall include any statutory modifications, re-enactment or amendment thereof for the time being in force.
- 2.2 **"Appointed Date"** means April 01, 2018 or such other date as may be approved by the National Company Law Tribunal, Hyderabad Bench or any other appropriate authority.

Reference in this Scheme to the date of "upon the Scheme becoming effective" or "effectiveness of the Scheme" shall mean the Appointed Date subject to fulfilment of conditions under Clause 17 of this Scheme.

- 2.3 **"Board of Directors"** or **"Board"** means the Board of Directors of the Transferor Company or the Transferee Company, as the case may be, and



shall include a duly constituted committee thereof, if any constituted or appointed and authorized to take any decision for the implementation of this Scheme on behalf of such Board of Directors.

2.4 **"Effective Date"** means the Appointed Date as defined in section 232 (6) of the Companies Act, 2013. Reference in this Scheme to the date of "upon the Scheme becoming effective" or "effectiveness of the Scheme" shall mean the Appointed Date subject to fulfilment of conditions under Clause 17 of this Scheme.

2.5 **"Employees"** means all the employees on the payroll of the Transferor Company or the Transferee Company (as the case may be) on the Appointed Date and as identified by the Board of Directors of the Transferor Company and Transferee Company.

2.6 **"Equity Share(s)"** means the equity shares of the Transferor Company or the Transferee Company, as the case may be.

2.7 **"Financial Statements"** means the annual accounts (including balance sheet, cash flow statements and the statement of profit and loss) of the Transferor Company and the Transferee Company, including the accounts drawn up to the Appointed Date.

2.8 **"Government Authority"** means Central Government, any applicable state or local government, legislative body, regulatory or administrative authority, agency or commission or any Court, Tribunal, Board, Bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction.

2.9 **"Intangible Assets"** means and includes all intellectual property and industrial property rights and rights in confidential information of every kind and description throughout the world, whether registered or unregistered, and including, software, research and development, business claims,

*Lawan*

business information, business records, goodwill, including without limitation, in relation to the business of the Transferor Company.

- 2.10 **"Key Managerial Personnel"** or **"KMPs"** means the Chief Executive Officer or the Managing Director or the Manager, the Company Secretary, the Whole-time Director, the Chief Financial Officer and such other officer as may be prescribed, of the Transferor Company and the Transferee Company.
- 2.11 **"MLL"** or **"the Transferee Company"** means Mylan Laboratories Limited, an unlisted public limited company incorporated under the Companies Act, 1956, and having its registered office at Plot No. 564/A/22, Road No. 92, Jubilee Hills, Hyderabad – 500096, Telangana, India.
- 2.12 **"MPPL"** or **"the Transferor Company"** means Madaus Pharmaceuticals Private Limited, a private limited company incorporated under the Companies Act, 1956, and having its registered office at Plot No. 564/A/22, Road No. 92, Jubilee Hills, Hyderabad – 500096, Telangana, India.
- 2.13 **"NCLT"** means National Company Law Tribunal, Hyderabad Bench at Hyderabad having jurisdiction in relation to both the Transferor Company and the Transferee Company.
- 2.14 **"Scheme"** or **"the Scheme"** or **"this Scheme"** means this Scheme of Amalgamation including Schedules, as amended or modified, in its present form submitted to the NCLT for approval, with any modifications, as may be approved or imposed or directed by the NCLT or any other appropriate authority.
- 2.15 **"Transition Period"** means period starting from the date immediately after the Appointed Date till the last of the date on which all the conditions stipulated in Clause 17 of this Scheme are fulfilled.



2.16 **"Undertaking"** shall mean and include the whole of the undertaking of the Transferor Company and shall include (without limitation) its entire business including:

- (a) all the assets and properties of the Transferor Company including, without limitation, offices, plant and machineries, equipment, interests, capital work-in-progress, installations, appliances, tools, accessories, freehold, leasehold and any other title, interests or right in such immovable assets, buildings and structures, offices, furniture, fixtures, office equipment, computers and all stocks on the Appointed Date;
- (b) all the debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date both present and future, whether provided for or not in the books of accounts or disclosed in the balance sheet, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any kind, nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising pertaining to Transferor Company;
- (c) Without prejudice to the generality of sub-Clause (a) and (b) above, the Undertaking of the Transferor Company shall include:
  - (i) all movable and immovable properties, assets, including lease-hold rights, tenancy rights, industrial and other licenses, software, registrations, permits, authorisations, trademarks, patents and other industrial and intellectual properties, electrical connections, telephones, telex, facsimile and other communication facilities and equipment, rights and benefits of all agreements, pending applications and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties,

*R. Lawan*

easements, advantages, benefits and approvals, if any of the Transferor Company;

- (ii) all current assets including inventories, sundry debtors, receivables, cash and bank accounts (including bank balances), fixed deposits, loans and advances including advances to vendors and employees, balances with Government Authority, interest accrued on fixed deposits, advance tax, export benefits receivable, actionable claims, bills of exchanges and debit notes of the Transferor Company;
- (iii) all agreements including loan license agreement, contracts, arrangements, understandings, engagements, deeds and instruments including lease/license agreements, tenancy rights, equipment purchase agreements, and other agreements with the customers, purchase and other agreements/contracts with the supplier/ manufacturer of goods/ service providers and all rights, title, interests, claims and benefits there under of the Transferor Company;
- (iv) all application monies, advance monies, earnest monies and/or security deposits paid or deemed to have been paid and payments against other entitlements of the Transferor Company;
- (v) all intellectual property rights (including applications for registrations of the same and the right to use such intellectual property rights), trade and service names and marks, patents, copyrights, and other intellectual property rights of any nature whatsoever, trade secrets, confidential information, domain names, books, records, files, papers, software licences (whether proprietary or otherwise), data, and all other records and documents, whether in physical or electronic form relating to the business activities and operations of the Transferor Company; and



(vi) all employees of the Transferor Company.

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

### 3. SHARE CAPITAL

#### 3.1 MPPL

The authorised, issued, subscribed and paid up share capital of Transferor Company as per its latest audited Financial Statements as on March 31, 2018 is as follows:

Authorised Capital	Amount (INR)
5,30,00,000 Equity Shares of INR 10 each	53,00,00,000
<b>Total</b>	<b>53,00,00,000</b>
Issued, Subscribed and Paid-up Capital	Amount (INR)
3,30,00,000 Equity Shares of INR 10 each fully paid-up	33,00,00,000
<b>Total</b>	<b>33,00,00,000</b>

As on date, the entire share capital of Transferor Company is held by Transferee Company and its nominee. Accordingly, Transferor Company is a wholly owned subsidiary of Transferee Company.

Subsequent to March 31, 2018, there has been no change in the share capital of the Transferor Company.

*Rana*

### 3.2 MLL

The authorised, issued, subscribed and paid up share capital of Transferee Company as per its latest audited Financial Statements as on March 31, 2018 is as follows:

Authorised Capital	Amount (INR)
36,00,00,000 Equity Shares of INR 2 each	72,00,00,000
<b>Total</b>	<b>72,00,00,000</b>
Issued, Subscribed and Paid-up Share	Amount (INR)
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 March 31, 2018, there has been no change in the share capital of the Transferee Company.

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

The Scheme shall be effective in its present form or with any modification(s) approved or imposed or directed by the NCLT or any other appropriate authority and shall become effective from the Appointed Date as defined in Section 232 (6) of the Act.

*Raman*



**PART B****TRANSFER AND VESTING OF THE TRANSFEROR COMPANY WITH THE  
TRANSFeree COMPANY****5. TRANSFER AND VESTING OF UNDERTAKING**

5.1 Subject to the provisions of this Scheme as specified hereinafter and with effect from the Appointed Date, the entire Undertaking of the Transferor Company, including:

- (a) all the assets and properties of the Transferor Company including, without limitation, offices, plant and machineries, equipment, interests, capital work-in-progress, installations, appliances, tools, accessories, freehold, leasehold and any other title, interests or right in such immovable assets, buildings and structures, offices, furniture, fixtures, office equipment, computers and all stocks on the Appointed Date;
- (b) all the debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date both present and future, whether provided for or not in the books of accounts or disclosed in the balance sheet, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any kind, nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising pertaining to Transferor Company;
- (c) Without prejudice to the generality of sub-Clause **Error! Reference source not found.** and **Error! Reference source not found.** above, the Undertaking of the Transferor Company shall include:



- (i) all movable and immovable properties, assets, including lease-hold rights, tenancy rights, industrial and other licenses, software, registrations, permits, authorisations, trademarks, patents and other industrial and intellectual properties, electrical connections, telephones, telex, facsimile and other communication facilities and equipment, rights and benefits of all agreements, pending applications and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals of the Transferor Company;
- (ii) all current assets including inventories, sundry debtors, receivables, cash and bank accounts (including bank balances), fixed deposits, loans and advances including advances to vendors and employees, balances with Government Authority, interest accrued on fixed deposits, export benefits receivable, advance tax, actionable claims, bills of exchanges and debit notes of the Transferor Company;
- (iii) all agreements including loan license agreement, contracts, arrangements, understandings, engagements, deeds and instruments including lease/license agreements, tenancy rights, equipment purchase agreements, and other agreements with the customers, purchase and other agreements/contracts with the supplier/ manufacturer of goods/ service providers and all rights, title, interests, claims and benefits there under of the Transferor Company;
- (iv) all application monies, advance monies, earnest monies and/or security deposits paid or deemed to have been paid and payments against other entitlements of the Transferor Company;
- (v) all intellectual property rights (including applications for registrations of the same and the right to use such intellectual property rights), trade and service names and marks, patents, copyrights, and other



intellectual property rights of any nature whatsoever, trade secrets, confidential information, domain names, books, records, files, papers, software licences (whether proprietary or otherwise), data, and all other records and documents, whether in physical or electronic form relating to the business activities and operations of the Transferor Company; and

(vi) all employees of the Transferor Company under the provisions of Section 232 read with Section 230 of the Act, and pursuant to the orders of the NCLT sanctioning this Scheme and without further act, instrument or deed, but subject to the charges affecting the same as at the end of the Transition Period, be transferred and/or deemed to be transferred to and vested in the Transferee Company, so as to become the properties, assets, rights, business and Undertaking of the Transferee Company.

5.2 Without prejudice to the generality of Clause 5.1 above, with respect to the assets of the Transferor Company, including cash and bank balances, as are movable in nature or are otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery or otherwise, the same shall be so transferred by the Transferor Company to the Transferee Company, without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company as an integral part of the assets of the Transferee Company, with effect from the Appointed Date.

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- 5.3 Without prejudice to the generality of Clause 5.1 above, with effect from the Appointed Date, all debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date whether provided for or not in the books of account of the Transferor Company and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or up to the day of the Appointed Date, shall be the debts, liabilities, duties and obligations of the Transferee Company including any encumbrance on the assets of the Transferor Company or on any income earned from those assets.
- 5.4 With effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes.
- 5.5 Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and the Transferee Company shall, ipso facto, stand discharged and come to an end and there shall be no liability on any party and appropriate effect shall be given in the books of account and records of the Transferee Company. It is hereby clarified that there will be no accrual of interest or other charges in respect of any inter-company loans, advances and other obligations between the Transferor Company and the Transferee Company, with effect from the Appointed Date.
- 5.6 All existing securities, mortgages, charges, liens or other encumbrances, if any, as on the Appointed Date and created by the Transferor Company after the Appointed Date, over the properties and other assets comprised in the Undertaking or any part thereof transferred to the Transferee Company by virtue of this Scheme and in so far as such securities, mortgages, charges,



liens or other encumbrances secure or relate to liabilities of the Transferor Company, the same shall, after the Transition Period, continue to relate and attach to such assets or any part thereof to which they are related or attached during the Transition Period and as are transferred to the Transferee Company, and such securities, mortgages, charges, liens or encumbrances shall not relate or attach to any of the other assets of the Transferee Company, provided however that no encumbrances shall have been created by the Transferor Company over its assets after the date of filing of the Scheme without the prior written consent of the Board of Directors of the Transferee Company, except for those done in the normal course of business.

- 5.7 The existing encumbrances over the properties and other assets of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the end of Transition Period shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of this Scheme.
- 5.8 It is expressly provided that, save as herein provided, no other term or condition of the liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.
- 5.9 With effect from the Appointed Date, all contracts, statutory licences, registrations, incentives, tax deferrals and benefits, tax credits, tax refunds, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, permissions, approvals or consents to carry on the operations of the Transferor Company, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor

*L. G. Man*

Company, whether before or after the Appointed Date shall stand vested in or transferred to the Transferee Company, pursuant to the Scheme, without any further act or deed and shall remain valid, effective and enforceable on the same terms and conditions and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company upon the vesting and transfer of the Undertaking of the Transferor Company pursuant to this Scheme.

5.10 Subject to the other provisions of this Scheme, all contracts, including contracts with customers, contracts for tenancies, licenses and capacity allotments obtained from Government and Non-Government Authority, land lease deeds, other deeds, bonds, agreements, licences, permits, registrations, approvals, if any, of whatsoever nature to which the Transferor Company is a party and subsisting or having effect at the end of Transition Period, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto, notwithstanding the terms contained in such contracts, deeds, bonds, agreements, licences, permits, registrations, approvals and other instruments.

5.11 The Amalgamation of the Transferor Company with the Transferee Company, 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(1B) of the Income-tax Act, 1961 and other applicable provisions of the Tax Laws. If any terms or provisions of the Scheme is/ are inconsistent with the provisions of Section 2(1B) of the Income-tax Act, 1961 or such other applicable Tax Laws, the provisions of Section 2(1B) along with such other applicable provisions of the Tax Laws shall prevail and the Scheme shall stand modified



to the extent necessary to comply with such provisions. Such modifications will however not affect the other parts of the Scheme.

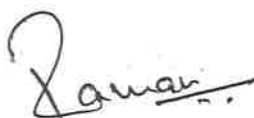
## **6. CONSIDERATION**

6.1 The entire issued and paid-up equity share capital of the Transferor Company is held by the Transferee Company. Accordingly, the shares held by the Transferee Company in the Transferor Company shall, on and from the end of the Transition Period, be cancelled or shall be deemed to have been cancelled without any further act or deed, and accordingly, no shares of the Transferee Company shall be issued to the shareholders of the Transferor Company in lieu of the said amalgamation.

6.2 The shares of the Transferor Company, in relation to the shares held by its members, shall without any further application, act, instrument or deed be deemed to have been automatically cancelled and be of no effect on and from the end of the Transition Period.

## **7. INCREASE IN AUTHORISED CAPITAL OF TRANSFEE COMPANY**

Upon the Scheme coming into effect, the authorised share capital of the Transferee Company in terms of its Memorandum of Association and Articles of Association shall automatically stand enhanced without any further act, instrument or deed on the part of the Transferee Company, including without payment of stamp duty and fees payable to the Registrar of Companies, from an amount of INR 72,00,00,000 (Rupees Seventy Crore Only) to an amount of INR 1,25,00,00,000 (Rupees One Hundred Twenty Five Crore Only), and the provisions in the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13, Section 14, Section 61, Section 64 or any other applicable provisions of the Act would be required to be



separately passed. For this purpose, the filing fees and stamp duty already paid by the Transferor Company on their authorised share capital shall be utilized and applied to the increased authorised equity share capital of the Transferee Company, and shall be deemed to have been so paid by the Transferee Company on such combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fees/ stamp duty on the authorised share capital so increased.

Accordingly, in terms of this Scheme, the authorised share capital of the Transferee Company shall stand enhanced to an amount of INR 1,25,00,00,000 (Rupees One Hundred Twenty Five Crore Only) divided into 62,50,00,000 Equity Shares of INR 2 each and the capital clause being Clause V of the Memorandum of Association of the Transferee Company shall stand substituted to read as follows:

*"V. (a) The Authorized Share Capital of the Company is Rs. 1,25,00,00,000 (Rupees One Hundred Twenty Five Crore Only) divided into 62,50,00,000 (Sixty Two Crore Fifty Lakh) Equity Shares of Rs. 2 (Rupees Two only) each.*

*(b) The share capital of the Company (whether original, increased or reduced) may be subdivided, consolidated or divided into such classes or shares as may be allowed under the law for the time being relating to compromise with such privileges or rights as may be attached and to be held upon such terms as may be prescribed by the Articles of Association of the Company."*

## **7. STAFF, WORKMEN AND EMPLOYEES**

8.1 Upon the Scheme becoming effective, all staff, workmen and employees of the Transferor Company in service at the end of the Transition Period shall be deemed to have become staff, workmen and employees of the Transferee





Company with effect from the Appointed Date or the date of joining, whichever is later, without any break or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company shall not be less favourable than those applicable to them with reference to their employment with the Transferor Company at the end of the Transition Period.

- 8.2 It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, superannuation fund or any other special fund or trusts, if any, created or existing for the benefit of the staff, workmen and employees of the Transferor Company shall become trusts/ funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such fund or funds shall become those of the Transferee Company. It is clarified that, for the purpose of the said fund or funds, the services of the staff, workmen and employees of the Transferor Company will be treated as having been continuous with the Transferee Company from the date of employment as reflected in the records of the Transferor Company.

## **8. LEGAL PROCEEDINGS**

- 9.1 If any suit, appeal or other proceeding of whatever nature by or against any of the Transferor Company are pending, including those arising on account of taxation laws and other allied laws, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the arrangement by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company, in the same manner and to the same

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- extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company, as if this Scheme had not been made.

9.2 On and from the end of the Transition Period, Transferee Company may, if required, initiate or defend any legal proceedings in relation to the rights, title, interest, obligations or liabilities of any nature whatsoever, whether under contract or law or otherwise, of Transferor Company and to the same extent as would or might have been initiated by or defended by Transferor Company.

## 9. **POWER TO GIVE EFFECT TO THIS PART**

The Transferee Company shall enter into and/ or issue and/ or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, the Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

## 10. **TAXATION MATTERS**

11.1 Upon the Scheme becoming effective, all taxes payable by the Transferor Company under the Income-tax Act, 1961, Finance Act, 1994, Customs Act, 1962, Central Excise Act, 1944, State Sales Tax laws, Central Sales Tax Act, 1956, Goods and Service Tax Act, 2017 or other applicable laws/ regulations dealing with taxes/ duties/ levies (hereinafter referred to as "Tax Laws") shall be to the account of the Transferee Company; similarly all credits for tax deduction at source on income of the Transferor Company, or obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company shall be made or deemed to have been made and duly



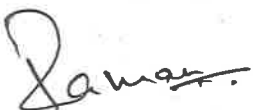
complied with by the Transferee Company if so made by the Transferor Company. Similarly any advance tax payment required to be made for by the specified due dates in the Tax Laws shall also be deemed to have been made by the Transferee Company if so made by the Transferor Company. Further, the Minimum Alternate Tax paid by the Transferor Company under Section 115JB and/ or other provisions (as applicable) of the Income-tax Act, 1961, shall be deemed to have been paid on behalf of the Transferee Company.

11.2 Any refunds under the Tax Laws due to the Transferor Company consequent to the assessments made on the Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.

11.3 All taxes of any nature, duties, cesses or any other like payments or deductions made by the Transferor Company or any of its agents to any statutory authorities such as Income-tax, sales tax, and service tax, or any tax deduction/ collection at source, tax credits under Tax Laws, relating to the period after the Appointed Date shall be deemed to have been on account of or paid by the Transferee Company, and the relevant authorities shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon the Effective Date and upon relevant proof and documents being provided to the said authorities.

11.4 Allowance of deduction under Sections 40(a) and 43B of the Income-tax Act, 1961, in the year of payment, of such expenses previously disallowed in the hands of the Transferor Company, shall vest in and become available to the Transferee Company pursuant to this Scheme.

11.5 All cheques and other negotiable instruments and payment orders received in the name of the Transferor Company after the end of Transition Period shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company. Similarly, the banker of the Transferee



Company shall honour cheques issued by the Transferor Company for payment on or after the Appointed Date and presented after the end of Transition Period.

## **PART C**

### **ACCOUNTING TREATMENT FOR THE AMALGAMATION**

#### **11. ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEREE COMPANY**

On the Scheme becoming effective, the Transferee Company shall follow the 'Pooling of Interest' method of accounting prescribed for common control business combination under the Indian Accounting Standard (Ind AS) 103- Business Combinations issued by the Institute of Chartered Accountants of India and notified by the Ministry of Corporate Affairs vide Notification No. G.S.R. 111(E) dated 16 February 2015, as amended from time to time, which inter alia provides for the following:

- 12.1 With effect from the Appointed Date, all the assets and liabilities of the Transferor Company shall be transferred to and vested in the Transferee Company and shall be recorded at their respective book values. No adjustment shall be made to the carrying amounts of assets and liabilities as reflected in the books of Transferor Company on the Appointed Date, to reflect fair values. All reserves of the Transferor Company are deemed to be carried forward and shall be recorded in the books of Transferee Company in the same form in which they appeared in the books of the Transferor Company as on the Appointed Date.
- 12.2 Equity Shares held by the Transferee Company in the Transferor Company shall get cancelled, without any further act or deed.

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- 12.3 In case of any differences in accounting policies between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the Financial Statements reflect the financial position on the basis of consistent accounting policies.
- 12.4 The amount of any inter-company balances, amounts between the Transferor Company and the Transferee Company, appearing in the Financial Statements of the Transferor Company and the Transferee Company, shall stand cancelled without any further act or deed, upon the Scheme coming into effect, and the amounts so cancelled shall not be recorded in the Financial Statements of the Transferee Company.
- 12.5 The difference, if any, between the amount recorded as share capital issued by Transferee company and the amount of share capital of the Transferor Company and after necessary adjustments as per Clause 12.3 and 12.4, shall be transferred to capital reserve and presented separately from other capital reserves with disclosure of its nature and purpose in the notes as prescribed in Appendix C of Indian Accounting Standard (Ind AS) 103 – Business Combinations.
- 12.6 Upon the scheme coming into effect, the accounts of the Transferee Company, as on the Appointed Date shall be reconstructed with the terms of this Scheme.

## **12. ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEROR COMPANY**

On the Scheme becoming effective, Transferor Company needs to follow normal accounting procedure for closing the books of account. Further, it should be noted that there are no relevant accounting standards prescribed to be followed by the Transferor Company for giving effect to the Scheme. Additionally as per clause 17 of the Scheme, the Transferor Company shall stand dissolved upon the Scheme coming into effect.

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### 13. TRANSACTIONS DURING THE TRANSITION PERIOD

During the Transition Period:

13.1 The Transferor Company shall carry on and be deemed to have carried on their respective business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of their respective businesses and Undertaking for and on account of and in trust for the Transferee Company;

13.2 The Transferor Company shall carry on their respective business and activities in the ordinary course of business with reasonable diligence and business prudence;

13.3 With effect from the Appointed Date and up to the end of the Transition Period, Transferor Company shall not, without the written consent of Transferee Company, undertake any new business;

13.4 With effect from Appointed Date/ date of approval of the Scheme and up to the end of the Transition Period, Transferor Company shall not sell, transfer or alienate, charge, mortgage or encumber or otherwise deal with or dispose of any of their Undertaking or any part thereof save and except in each case:

- a) if the same is in the ordinary course of business of Transferor Company as carried on by them as on the date of filing this Scheme with the Central Government/ Jurisdictional Regional Director/ Tribunal, as the case may be; or
- a. if the same is expressly permitted by this Scheme; or
- b. if the same is carried out by operation of law; or
- c. if the prior written consent of the Board of Directors of Transferee Company has been obtained.



13.5 All the profits or income accruing or arising to the Transferor Company or expenditure or losses incurred or arising to the Transferor Company, shall for all purposes be treated and deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of the Transferee Company; and

13.6 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other Government Authorities/ agencies concerned, as are necessary under any law for such consents, approvals and sanctions which the Transferee Company, may require to carry on the business of the Transferor Company.

#### **14. SAVING OF CONCLUDED TRANSACTIONS**

Subject to the terms of this Scheme, the transfer and vesting of the Undertaking of the Transferor Company under Clause 5 of this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or concluded after the end of the Transition Period, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

#### **15. CHEQUES ETC**

All cheques and other negotiable instruments and payment orders received in the name of the Transferor Company after the end of Transition Period shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company. Similarly, the banker of the Transferee Company shall honour cheques issued by the Transferor Company for payment on or after the Appointed Date and presented after the end of Transition Period.

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**PART D**

**DISSOLUTION OF THE TRANSFEROR COMPANY AND THE GENERAL TERMS  
AND CONDITIONS APPLICABLE TO THIS SCHEME AND OTHER MATTERS  
CONSEQUENTIAL AND INTEGRALLY CONNECTED THERETO**

**16. WINDING UP**

On the Scheme becoming effective, the Transferor Company shall stand dissolved, without going through the process of winding up and without further acts and deeds by parties on such terms and conditions as the NCLT may direct or determine

**17. CONDITIONALITY OF THE SCHEME**

**This Scheme is and shall be conditional upon and subject to:**

- (i) The requisite consent, approval or permission of the Central Government or any Government Authorities, which by law may be necessary for the implementation of this Scheme;
- (ii) Approval by the Hon'ble NCLT;
- (iii) The certified/authenticated copies of the order of the NCLT sanctioning the Scheme being filed with the Registrar of Companies by the Transferor Company and the Transferee Company; and
- (iv) Compliance with such other conditions as may be imposed by the NCLT.

**18. APPLICATION TO THE NCLT**

The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make and file joint application to the NCLT, within whose jurisdictions the registered office of the transferor company and the





transferee company are situated, for sanctioning the scheme, and for dissolution of the Transferor Company without being wound-up.

#### **19. MODIFICATION OR AMENDMENTS TO THE SCHEME**

Subject to approval of NCLT, the Transferor Company and the Transferee Company by their respective Board of Directors, or any person(s) or committee authorised/ appointed by them, may carry out or assent to any modifications/ amendments to the Scheme or to any conditions or limitations that the NCLT and/ or any other Government 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 or the person(s)/ committee). The Transferor Company and the Transferee Company by their respective Board of Directors, or any person(s) or committee authorised/ appointed by them, shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any Government/ regulatory Authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/ or any matter concerned or connected therewith.

#### **20. EFFECT OF NON-RECEIPT OF APPROVALS**

In the event any of the approvals or conditions enumerated in the Scheme not being obtained or complied with, or for any other reason, the Scheme cannot be implemented, the Board of Directors of the Transferor Company and the Transferee Company shall by mutual agreement waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, or in case the Scheme is not sanctioned by the NCLT, the Scheme shall become null and void and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

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Notwithstanding anything contained above, the Transferor Company and the Transferee Company may approach the NCLT for dispensing with any requirement for ensuring the due implementation of the Scheme and act in accordance with any consequent directions or orders of NCLT.

**21. POWER TO WITHDRAW THE SCHEME AT ANYTIME**

In the event of any condition or amendment or modification that may be imposed by the NCLT or any competent authority, or if the Board of Directors of the Transferor Company or the Board of Directors of the Transferee Company, may find it unacceptable for any reason or if the Board of Directors of the said Transferor Company or Transferee Company decides, they shall be at a liberty to withdraw from the Scheme unconditionally.

**22. COSTS, CHARGES AND EXPENSES**

In the event of the Scheme being sanctioned by the NCLT, the Transferee Company shall bear and pay all costs, charges, expenses and taxes, including duties and levies in connection with the Scheme.

**23. MISCELLANEOUS**

In case any doubt or difference or issue shall arise among the Transferor Company and the Transferee Company or any of their respective shareholders, creditors, employees and/ or persons entitled to or claiming any right to any shares in the Transferor Company or the Transferee Company, as to the construction of this Scheme or as to any account, valuation or apportionment to be taken or made in connection herewith or as to any other aspects contained in or relating to or arising out of this Scheme, the same shall be amicably settled between the Board of Directors of the Transferor Company and the Transferee Company, and the decision arrived at therein shall be final and binding on all concerned.

