DRAFT SCHEME OF AMALGAMATION

Amongst

Krebs Biochemicals & Industries Limited

with

Ipca Laboratories Limited

and

their respective shareholders

(*Under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder*)

Ipca Laboratories Limited
ipca

OVERVIEW

A. Overview of this Scheme

(a) This scheme of amalgamation of Krebs Biochemicals & Industries Limited **("Amalgamating Company" / "Transferor Company")** with Ipca Laboratories Limited **("Amalgamated Company" / "Transferee Company")**, *inter alia,* provides for the amalgamation of the Amalgamating Company with and into the Amalgamated Company by way of a merger by absorption on a going concern basis, with effect from the Appointed Date, i.e. April 1, 2026, and the consequent dissolution of the Amalgamating Company without being wound up, and the issuance of New Equity Shares *(as defined hereinafter)* to the equity shareholders of the Amalgamating Company in accordance with the Share Exchange Ratio *(as defined hereinafter),* pursuant to the provisions of Sections 230 to 232 and/or other applicable provisions of the Companies Act, 2013 **("Act"),** SEBI Schemes Master Circular *(as defined hereinafter)* and in accordance with Section 2(6) of the Income Tax Act, 2025 (**"Income Tax Act")** [hereinafter referred to as **"Scheme"].**

(b) Both the Amalgamating Company and the Amalgamated Company form part of the Ipca group of Companies. As on March 31, 2026, the Amalgamated Company holds 49.65% of the paid-up equity share capital of the Amalgamating Company.

(c) This Scheme is presented under Sections 230 to 232 and other applicable provisions of the Act for the amalgamation of the Amalgamating Company with the Amalgamated Company and it is divided into the following parts:

Part I: Deals with a brief overview of the Companies *(as defined hereinafter),* other schemes of arrangement/amalgamation involving the Amalgamated Company, rationale and benefits of the Scheme, synergies of business of the entities involved in the Scheme and impact of the Scheme on shareholders.

Part II: Deals with the definitions of the capitalized terms used in the Scheme, their interpretation, date of taking effect of the Scheme and share capital of the Amalgamating Company and the Amalgamated Company.

Part III: Deals with the amalgamation of the Amalgamating Company into and with the Amalgamated Company in accordance with the provisions of Sections 230 to 232 of the Act.

Part IV: Deals with the general terms and conditions applicable to the Scheme.

(d) This Scheme also provides for various other matters that are consequential or otherwise integrally connected to this Scheme.

PART I

1. Brief Overview of the Companies referred to in the Scheme

1.1 Amalgamating Company

(a) The Amalgamating Company (as defined hereinafter) was originally incorporated as Krebs Biochemicals Limited under the Companies Act, 1956 and the Certificate of Incorporation was issued by the Registrar of Companies, Andhra Pradesh on December 2, 1991. Certificate of Commencement of Business was issued on May 8, 1992 by the Registrar of Companies, Andhra Pradesh. The name of the Amalgamating Company was changed to Krebs Biochemicals & Industries Limited and a Fresh Certificate of Incorporation consequent to change of name issued by the Registrar of Companies, Andhra Pradesh, Hyderabad on November 21, 2003. The Corporate Identification Number of the Amalgamating Company is L24110AP1991PLC103912.

(b) The registered office of the Amalgamating Company is situated at Kothapalli Village, Kasimkota Mandal, Anakapalli, Vishakapatnam, Andhra Pradesh - 531031.

(c) The amalgamating Company is engaged in the manufacturing and marketing of fermentation based and other Active Pharmaceutical Ingredients (APIs), Pharmaceutical Drug Intermediates, Fine Chemicals and Neutraceuticals.

(d) The amalgamating Company has two manufacturing units (Undertaking), one at Anakapalli (Vishakapatnam) and another one at Nellore, both in the state of Andhra Pradesh.

(e) The equity shares of the Amalgamating Company are listed on BSE Limited and National Stock Exchange of India Limited (together referred to as the "Stock Exchanges").

1.2 Amalgamated Company

(a) The Amalgamated Company was incorporated on October 19, 1949 under the Companies Act, 1913, with the Registrar of Companies, Maharashtra, Mumbai, as The Indian Pharmaceutical Combine Association Limited. The name of the Amalgamated Company was changed to Ipca Laboratories Limited and a fresh Certificate of Incorporation consequent on change of name was issued by the Assistant Registrar of Companies, Maharashtra on August 6, 1964. The name of the Amalgamated Company was again changed to Ipca Laboratories Private Limited on January 13, 1966 and a fresh Certificate of Incorporation consequent on change of name was issued by the Assistant Registrar of Companies, Maharashtra. The status of the Amalgamated Company was later changed to deemed public company by deleting "private" from its name pursuant to Section 43A(1-A) of the Companies Act, 1956 by the Assistant Registrar of Companies, Maharashtra, on August 9, 1988. Vide Certificate of Change of Name issued by the Additional Registrar of Companies, Maharashtra, Mumbai on January 7, 1994, the status of the Amalgamated Company was changed from "deemed public Company" to "full fledged public Company". The Corporate Identification Number of the Amalgamated Company is L24239MH1949PLC007837.

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(b) The registered office of the Amalgamated Company is situated at 48, Kandivli Industrial Estate, Kandivli (West), Mumbai - 400067.

(c) The Amalgamated Company is a fully-integrated Indian pharmaceutical company manufacturing nearly 350 formulations and 80 APIs for various therapeutic segments. For more than 60 years, the Amalgamated Company has been partnering healthcare globally in over 100 countries and in markets as diverse as Africa, Asia, Australia, New Zealand, United Kingdom, Europe and the United States of America.

(d) The Amalgamated Company is one of the Promoters of the Amalgamating Company and, as on March 31, 2026, the Amalgamated Company holds 49.65% of the paid-up equity share capital of the Amalgamating Company.

(e) The equity shares of the Amalgamated Company are listed on the Stock Exchanges.

1.3 Rationale and benefits of the Scheme

(a) The merger of Amalgamating Company into the Amalgamated Company will result in operational synergies resulting in cost optimization.

(b) The merger would result in consolidation of business of the Amalgamating Company with the business of the Amalgamated Company thereby resulting in an increased business of the combined entity.

(c) Reduction of administrative responsibilities, multiplicity of records and statutory, legal and regulatory compliances.

(d) The Amalgamating Company has the capability and manufacturing facility to manufacture the fermentation based Active Pharmaceutical Ingredients (APIs) which capability and facility the Amalgamated Company does not have. Thus, the Scheme will enable the Amalgamated Company to Research, develop and commercialize new fermentation based APIs and increase its business.

(e) The Amalgamating Company produces one of the fermentation based API which is used as a therapeutic ingredient in the largest selling formulation of the Amalgamated Company. There are only a handful manufacturers of this API in the world. The Scheme will secure the uninterrupted supply of this API to the Amalgamated Company.

(f) The Amalgamating Company produces few drug intermediates that are used by the Amalgamated Company in manufacturing of their key Active Pharmaceutical Ingredients (APIs). The Scheme will secure the uninterrupted supply of these drug intermediates to the Amalgamated Company.

(g) The Amalgamating Company is continuously incurring losses and is unable to spend on research and development for development of new fermentation based APIs so as to optimally utilize its manufacturing capabilities and increase its business. The Scheme, with financial strength, technical and marketing capabilities of the Amalgamated Company will facilitate this.

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Thus, the Scheme is in the interest of the shareholders, creditors and all other stakeholders of the companies and is not prejudicial to the interests of concerned shareholders, creditors or the public at large.

1.4 Synergies of business of the entities involved in the Scheme

The merger of the Amalgamating Company and the Amalgamated Company is expected to offer significant strategic and operational synergies, primarily arising from their complementary strengths in the pharmaceutical value chain.

(a) Strengthening API Manufacturing Capabilities –The Amalgamating Company has the capability and manufacturing facility to manufacture the fermentation based Active Pharmaceutical Ingredients (APIs) which capability and facility the Amalgamated Company does not have. Thus, the Scheme will enable the Amalgamated Company to Research, develop and commercialize new fermentation based APIs and increase its business.

(b) The Amalgamating Company produces one of the fermentation based API which is used as a therapeutic ingredient in the largest selling formulation of the Amalgamated Company. There are only a handful manufacturers of this API in the world. The Scheme will secure the uninterrupted supply of this API to the Amalgamated Company.

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(d) The Amalgamating Company is continuously incurring losses and is unable to spend on research and development for development of new fermentation based APIs so as to optimally utilize its manufacturing capabilities and increase its business. The Scheme, with financial strength, technical and marketing capabilities of the Amalgamated Company will facilitate this.

(e) Operational and Cost Efficiencies - the combined operations facilitate procurement synergies, optimization of production planning, improved capacity utilization, and economies of scale in manufacturing and distribution. Consolidation of technical expertise and infrastructure shall also result in lower operating costs and improved margins.

(f) Research and Development Synergies - the merger enables sharing of technical know-how, R&D infrastructure, and product development capabilities. The combined expertise can accelerate development of complex APIs and specialty products.

(g) The integration of the Amalgamating Company and the Amalgamated Company is expected to create a more vertically integrated pharmaceutical platform with enhanced APIs development and manufacturing capabilities, expanded technological expertise, stronger manufacturing infrastructure, improved operational efficiencies, and increased opportunities for growth in regulated and emerging markets

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(h) Apart from the above, the other synergies / benefits that is expected to accrue from the proposed amalgamation are

- Elimination of duplicate production lines
- Consolidation of warehousing and logistics operations
- Integrated vendor management
- Streamlined marketing and distribution network across geographies
- Stronger positioning against competitors
- Pooling of scientific talent and intellectual property

1.5 Impact of the Scheme on shareholders

(a) Amalgamating Company

For the shareholders of the Amalgamating Company, the proposed Scheme will provide an opportunity to improve the economic value . This is particularly marked in the improved synergies that will arise pursuant to the Scheme. The proposed Scheme will result in deriving benefits for future capacity expansion and efficiency improvement measures. Thus, upon the Scheme becoming effective, the shareholders of the Amalgamating Company will be able to participate in the growth of the Amalgamated Company, which is one of the leading pharmaceutical player in India with its marketing operations spanning across the globe in over 100 countries.

(b) Amalgamated Company:

For the shareholders of the Amalgamated Company, the proposed Scheme will result in economies of scale and consolidation of opportunities and will improve the business operations and profitability and thus enhance overall shareholder value. This is particularly marked in the improved synergies that will arise pursuant to the Scheme. Based on the Share Exchange Ratio as set out in the Valuation Report, there will be no detrimental impact of the proposed Scheme on the shareholders and no shareholder is expected to have any disproportionate advantage or disadvantage in any manner.

PART II

2. Definitions, interpretation, date of taking effect and share capital

2.1 Definitions

In this Scheme, the following words and expressions shall, unless the context requires otherwise, have the following meanings ascribed to them:

(a) "Act" means the Companies Act, 2013, and all amendments or statutory modifications thereto or re-enactments thereof, including the rules and regulations made thereunder or notifications, circulars or orders made/issued thereunder, from time to time.

(b) "Applicable Laws" means: (i) all applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines or policies of any applicable country and/or jurisdiction; (ii) administrative interpretation, writ, injunction, directions, regulations, directives, judgment, arbitral award, decree, orders or approvals of, or agreements with, any Appropriate Authority; and (iii) international treaties, conventions and protocols, as may be in force from time to time;

(c) "Appointed Date" means the commencement of business hours of April 1, 2026, or as the Hon'ble NCLT may direct;

(d) "Amalgamated Company" has the meaning given to it in Paragraph A(a) of the Scheme i.e. Ipca Laboratories Limited.

(e) "Amalgamated Company Shares" means the fully paid-up equity shares of the Amalgamated Company, each having a face value of Re. 1/- (Rupee One only) and having one vote per equity share.

(f) "Amalgamating Company" has the meaning given to it in Paragraph A(a) of the Scheme i.e. Krebs Biochemicals & Industries Limited.

(g) "Appointed Date" means April 1, 2026.

(h) "Board of Directors" or "Board" in relation to the Companies means their respective board of directors, and unless it is repugnant to the context or otherwise, includes any committee of directors or any person authorised by the board of directors or by such committee of directors duly constituted and authorised for the purposes of matters pertaining to the arrangement as contemplated under this Scheme and/or any other matters relating thereto.

(i) "Companies" means collectively, the Amalgamating Company and the Amalgamated Company.

(j) "Effective Date" means the last of the dates on which all the approvals or events specified under Clause 4.3 of the Scheme are obtained or have occurred or the requirement of which have been waived. References in this Scheme to "upon the coming into effect of this Scheme" or "upon this Scheme becoming effective" or "effectiveness of this Scheme, or "Scheme coming into effect" shall mean the Effective Date.

(k) "Encumbrance" means any form of legal or equitable encumbrance or security interest including without limitation (i) any options, claim, pre-emptive right, easement, limitation, attachment, restraint, mortgage, charge (whether fixed or

Ipca Laboratories Limited

floating), pledge, lien, hypothecation, assignment, deed of trust, escrow, title retention, security interest or other encumbrance or interest of any kind securing or conferring any priority of payment in respect of any obligation of any person, including any right granted by a transaction or other type of preferential arrangement or interest which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under applicable Law, including any option or right of pre-emption, public right, common right, easement rights, any attachment, restriction on use, transfer, receipt of income or exercise of any other attribute of ownership, right of set off and/or any other interest held by a third party; (ii) any voting agreement, conditional sale contracts, or agreement, interest, option, right of first offer, first, last or other refusal right, proxy, power of attorney, or transfer restriction; (iii) any adverse claim as to title, possession or use; and/or (iv) any agreement, conditional or otherwise, to create any of the foregoing and the terms "Encumbered", "Encumber" shall be construed accordingly.

(l) "Governmental Approval" means any consent, approval, license, permit, order, exemption, certificate, clearance or authorisation obtained or to be obtained from, or any registration, notification, declaration or filing made to or with, or to be made to or with, any Governmental Authority and shall include Required Governmental Filings.

(m) "Government" or "Governmental Authority" means any national, state, provincial, local or similar government or governmental, statutory, regulatory or administrative authority, government department, agency, Commission, Departmental or public body or authority, SEBI, Stock Exchanges, any relevant Tax authority, tribunal or court or other entity authorized to make Laws, rules, regulations, standards, requirements, procedures or to pass directions or orders, in each case, having the force of Law, or any non-governmental regulatory or administrative authority, body or other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of Law, as may be applicable, having or purporting to have jurisdiction on behalf of the Republic of India or any state or province or other political subdivision thereof or any municipality, district or other subdivision thereof or in any other nation, over the Companies.

(n) "Income Tax Act" means the Income Tax Act, 2025, and all amendments or statutory modifications thereto or re-enactments thereof, including the rules and regulations made thereunder or notifications, circulars or orders made/issued thereunder, from time to time.

(o) "Intellectual Property Rights" means all intellectual property rights (including hardware, software, licenses, source codes, object code, algorithm and scripts), registrations, servers, software assets, hardware assets, cloud, data centres, any devices including but not limited to laptops and mobile devices, goodwill, patents, patent applications, divisional patent, patent of additions, trademarks, service marks, trade names, logos, corporate names, brand names, domain names, copyrights, designs including project designs, market authorization, marketing intangibles, research and studies, technical knowhow, and all common law rights, pending applications, registrations, and renewals in connection therewith, and software and all website content (including text, graphics, images, audio, video and data), trade secrets, confidential business information and other proprietary information.

Ipca Laboratories Limited

(p) "Law"(s) means (a) applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, byelaws, regulations, notifications, guidelines, press notes, clarifications, or policies of any applicable country and/or jurisdiction; (b) writ, injunction, directions, directives, judgment, arbitral award, decree, orders or approvals of, or agreements with, any Governmental Authority or Stock Exchanges.

(q) "Liabilities" means all debts (whether in Rupees or foreign currency), liabilities (including bills payable, interest accrued, statutory reserves, provisions and all other liabilities including contingent liabilities, and obligations under any licenses or permits or schemes), loans raised and used, obligations incurred, duties of any kind, nature or description and undertakings of every kind or nature and the liabilities of any description whatsoever whether or not provided in the books of accounts or disclosed in the financial statements of the Amalgamating Company, whether present or future, and howsoever raised or incurred or utilized along with any charge, encumbrance, lien or security thereon.

(r) "National Company Law Tribunal" or "NCLT" or "Tribunal" means the National Company Law Tribunal Mumbai Bench at Mumbai, Maharashtra which has jurisdiction over the Amalgamated Company and the National Company Law Tribunal Amaravati Bench at Mangalagiri, Andhra Pradesh having jurisdiction over the Amalgamating Company, as constituted and authorized as per the provisions of the Act

(s) "New Equity Shares" shall have the meaning set forth in Clause 3.3(a)(ii).

(t) "Record Date" means the date to be fixed by the Board of Directors of the Amalgamated Company in consultation with the Board of Directors of the Amalgamating Company for the purpose of determining the equity shareholders of the Amalgamating Company, to whom the Amalgamated Company Shares will be allotted pursuant to this Scheme.

(u) "Registrar of Companies" or "RoC" means the Registrar of Companies, Maharashtra situated at Mumbai and the Registrar of Companies, Andhra Pradesh situated at Vijayawada.

(v) "Required Governmental Filings" means, collectively, the intimations/filings required to be made with the Stock Exchanges, the Tribunal and the RoC, in connection with the present Scheme.

(w) "Rupees" or "Rs." means the Indian Rupee which is the lawful currency of India.

(x) "Scheme" means this scheme of amalgamation, subject to any modification(s) thereto as may be imposed by the Tribunal or any modification(s) or amendment sought by the Companies, as confirmed/approved by the Tribunal.

(y) "SEBI" means the Securities and Exchange Board of India.

(z) "SEBI LODR Regulations" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

(aa) "SEBI Schemes Master Circular" means Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, issued by SEBI regarding Scheme of Arrangement by Listed Entities and Relaxation of Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957, each as amended from time to time.

(bb) "Share Exchange Ratio" shall have the meaning set forth in Clause 3.3(a)(ii).

(cc) "Stock Exchanges" means collectively, BSE Limited and the National Stock Exchange

Ipca Laboratories Limited

of India Limited

(dd) "Stock Exchanges Approval" means the no-objection/no-adverse observation letter(s) obtained by both the Companies from the relevant Stock Exchanges in relation to the Scheme pursuant to Regulation 37 of the SEBI LODR Regulations and the SEBI Schemes Master Circular.

(ee) "Tax" or "Taxes" means any and all taxes (direct or indirect), surcharges, fees, levies, duties, tariffs, imposts and other charges of any kind, in each case in the nature of a tax, imposed by any Governmental Authority (whether payable directly or by withholding), including taxes based upon or measured by income, windfall or other profits, gross receipts, property, sales, severance, branch profits, customs duties, excise, central value added tax, central sales tax, sales tax, entry tax, tax deducted at source, tax collected at source, self-assessment tax, advance tax, service tax, goods and services tax, stamp duty, transfer tax, value-added tax, minimum alternate tax, banking cash transaction tax, equalisation levy, dividend distribution tax, buy-back tax, securities transaction tax, taxes withheld or paid, customs duty and registration fees (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto).

(ff) "Transferee Company" has the meaning given to it in Paragraph A(a) of the Scheme i.e. Ipca Laboratories Limited.

(gg) "Transferor Company" has the meaning given to it in Paragraph A(a) of the Scheme i.e. Krebs Biochemicals & Industries Limited.

(hh) "Undertaking" means the Amalgamating Company and includes all of the business, undertakings, assets, properties, investments, rights, approvals, licenses and powers, leasehold rights and all its debts, outstanding, liabilities, duties and obligations of the Amalgamating Company, of whatsoever nature and kind and wherever situated, on a going concern basis and with continuity of business of the Amalgamating Company, which shall mean and include, without limitation:

(i) any and all of its immovable properties (including work in progress) and rights thereto i.e. land together with the buildings and structures standing thereon (whether, freehold, leasehold, leave and licensed, right of way, tenancies, sanctioned/allotted by the Governmental Authority or otherwise) including drains and culverts, civil works, foundations for civil works, offices, guest house, colony, captive power plant, warehouses, workshops, sheds, stores, storages, silo, DG room, roads, laboratory, boundary walls, soil filling works, benefits of any rental agreement for any use of premises, share of any joint assets, etc., and all documents (including panchnamas, declarations, receipts, sanction letters/orders, etc.) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interests, benefits and interests of rental agreements for lease or license or other rights to use of premises, in connection with the said immovable properties;

(ii) any and all of its assets (including work in progress), as are movable in nature, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal (including plant and machinery, boilers, turbines, handling equipment, capital work in progress, electrical fittings, air conditioners, furniture, fixtures, appliances, accessories, power lines, office equipment, computers, communication facilities, installations, vehicles, inventory and tools and plants), stock-in-trade, stores and spares,

Ipca Laboratories Limited

stock-in-transit, raw materials, finished goods, supplies, packaging items/materials, actionable claims, prepaid expenses, bills of exchange, promissory notes, current assets, earnest monies and receivables, sundry debtors, financial assets, outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Governmental Authority, semi-Government, local and other authorities and bodies, banks, customers and other persons, dividends declared or interest accrued thereon, reserves, provisions, funds, insurances, the benefits of any bank guarantees, performance guarantees and letters of credit;

(iii) any and all of its permits, licenses (including factory license), including any arrangement(s)/understanding(s) between Amalgamating Company with a Government or private entity(ies) for securing rights, permissions (including working permissions), right of way, approvals, authorisations, clearances, consents, benefits, registrations including import registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, pre-qualifications, bid acceptances, concessions, utilisations, subsidies, liberties and advantages (including consent/authorisation granted by Pollution Control Board, environmental clearance and other licenses/permits granted/issued/ given by any Governmental Authority, statutory or regulatory or local or administrative bodies) and other benefits (in each case including the benefit of any applications made for the same), approval for commissioning of project(s) and other licenses or clearances granted for the purpose of carrying on the existing business or in connection therewith including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that form part of the Amalgamating Company;

(iv) any and all of its Tax related assets, Tax deferrals, accumulated Tax and Depreciation losses. Tax credits (including any credits arising from advance Tax, self-assessment Tax, other income Tax credits, withholding Tax credits, minimum alternate Tax credits, central value added Tax credits, goods and services Tax credits, customs duty credit other indirect Tax credits and other Tax receivables), other claims under Tax Laws, privileges, incentives (including incentives in respect of income Tax, sales Tax, value added Tax, service Tax, excise duty, customs duties and goods and services Tax), benefits, Tax holidays, Tax refunds (including those pending with any Tax authorities), all Tax assets both direct and indirect including refunds filed pending to be adjudicated and refunds to be filed, advantages, benefits and all other rights, privileges, powers and facilities of every kind and description of whatsoever nature and the benefits thereto;

(v) all contracts, agreements including power purchase agreement(s) and/or arrangements to procure power for captive consumption of the Amalgamating Company, fuel supply agreement(s), consultancy agreements, purchase orders/service orders, operation and maintenance contracts, benefit of any arrangements, allotments, approvals, authorities, registrations, exemptions, benefits, waivers, security and other agreements, engagements, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, tariff policies, expression of interest, letters of intent, arrangements,

Ipca Laboratories Limited

understandings, engagements, indemnity, guarantees, powers of attorney, authorities given by, issued to, or executed in favour of the Amalgamating Company, deeds and instruments, including hire and purchase arrangements, lease/license agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether vested or potential and written, oral or otherwise and all rights, title, interests, claims and benefits thereunder;

(vi) all intangible assets, including all Intellectual Property Rights and all goodwill attached to such Intellectual Property Rights;

(vii) all rights to use, subscribe, avail telephones, facsimile, e-mail, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Amalgamating Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Amalgamating Company;

(viii) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, brochures, pamphlets, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form and all other interest of whatsoever nature belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Amalgamating Company;

(ix) all insurance policies of the Amalgamating Company;

(x) all investments, including long term, short term, quoted, unquoted investments in different instruments, including shares, debentures, warrants and bonds, if any;

(xi) amounts claimed or to be claimed including the receivables by the Amalgamating Company from any Governmental Authority;

(xii) all application monies, advance monies, earnest monies and security and other deposits paid to any person, including any Governmental Authority, electricity and other boards, and payments against other entitlements;

(xiii) any and all of its Liabilities;

(xiv) all of its staff and employees, and other obligations of whatsoever kind,

Ipca Laboratories Limited

including liabilities of the Amalgamating Company, with regard to its staff and employees, with respect to the payment of gratuity, superannuation, pension benefits and provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, retrenchment or otherwise as on the Effective Date; and

(xv) all suits, actions, legal or other proceedings, including quasi-judicial, arbitral and other administrative proceedings of whatsoever nature, involving or continued or to be enforced by or against the Amalgamating Company.

(ii) "Valuation Report" means the joint valuation report issued by Mr. Senthil Kumar S (Registration No.: IBBI/RV/06/2022/14652) and Mr. Nataraja Nanjundaiah (Registration No. IBBI/RV/05/2021/13891), Registered Valuers, dated June 26, 2026, in relation to the valuations of the Amalgamating Company and Amalgamated Company, for the purposes of determining the Share Exchange Ratio.

2.2 Interpretation

(a) All terms and words used in the Scheme but not specifically defined herein shall, unless contrary to the context thereof, have the meaning ascribed to them under the Act.

(b) In the Scheme, unless the context otherwise requires:

(i) references to a statutory provision include any subordinate legislation made from time to time under that provision;

(ii) references to the singular include the plural and vice versa and references to any gender includes all genders;

(iii) references to a statute or statutory provision include that statute or provision as from time to time modified or re-enacted or consolidated and (so far as liability thereunder may exist or can arise) shall include also any past statutory provision (as from time to time modified or re-enacted or consolidated) which such provision has directly or indirectly replaced, provided that nothing in this Clause 2.2(b) shall operate to increase the liability of any Companies beyond that which would have existed had this Clause 2.2(b) been omitted;

(iv) references to a document shall be a reference to that document as modified, amended, novated or replaced from time to time;

(v) headings are for convenience only and shall not affect the construction of this Scheme;

(vi) the expression "this Clause" shall, unless followed by reference to a specific provision, be deemed to refer to the whole Clause (and not merely the sub-Clause, paragraph or other provision) in which the expression occurs;

(vii) references to Clauses, unless otherwise provided, are to Clauses of this Scheme;

(viii) references to any person shall include any individual, firm, body corporate (whether incorporated or not), Governmental Authority, or any joint venture, association, partnership, works council, or employee representatives' body

Ipca Laboratories

(whether or not having separate legal personality);

(ix) any phrase introduced by the terms "include" or "including" or "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms

(x) reference to "writing" or "written" includes printing, typing, lithography, and other means of reproducing words in a visible form including email;

(xi) terms "hereof", "herein", "hereby", "hereto", "hereunder" and derivative or similar words shall refer to this entire Scheme or specified Clauses of this Scheme, as the case may be; and

(xii) where a wider construction is possible, the words "other" and "otherwise" shall not be construed *ejusdem generis* with any foregoing words.

2.3 Effective Date

The Scheme set out herein in its present form, or with modification(s), if any, made in accordance with the provisions of the Scheme and/or the directions of the Tribunal, shall be effective from the Appointed Date but shall be operative from the Effective Date.

2.4 Share Capital

(a) The authorised, issued, subscribed and paid-up share capital of the Amalgamating Company as on March 31, 2026, was as under:

	Amount in Rupees
Authorised share capital	
2,30,00,000 equity shares of Rs.10/- each 1,30,00,000 preference shares of Rs. 100/- each	23,00,00,000 130,00,00,000
Issued, subscribed and paid-up share capital	
2,15,60,586 equity shares of Rs. 10/- each fully paid-up 1,30,00,000 preference shares of Rs. 100/- each fully paid up *	21,56,05,860 130,00,00,000

** 1,30,00,000 9% Non Convertible, Redeemable, Non-cumulative Preference Shares issued @ Rs.100/- each held by the Amalgamated Company i.e. Ipca laboratories Limited. These Preference Shares does not have any voting rights. In accordance with accounting standard IND AS, these Non Convertible Redeemable Preference Shares are classified as Debt under Term Loans.*

(b) The authorised, issued, subscribed and paid-up share capital of the Amalgamated Company as on March 31, 2026, was as under:

	Amount in Rupees
Authorised share capital	
57,60,00,000 equity shares of Re.1/- each	57,60,00,000
Issued & subscribed share capital 25,62,66,408 equity shares of Re. 1/- each	25,62,66,408
Paid-up share capital 25,37,04,218 equity shares of Re. 1/- each fully paid-up	25,37,04,218

Ipca Laboratories Limited

(c) The authorised, issued, subscribed and paid-up share capital of the Amalgamated Company upon Scheme becoming effective shall be as under:

	Amount in Rupees
Authorised share capital	
80,60,00,000 equity shares of Re.1/- each 1,30,00,000 preference shares of Rs. 100/- each	80,60,00,000 130,00,00,000
Issued & subscribed share capital 25,66,46,347 equity shares of Re. 1/- each	25,66,46,347
Paid-up share capital 25,40,84,157 equity shares of Re. 1/- each fully paid-up	25,40,84,157

The equity shares of the Amalgamating and Amalgamated Companies are listed on the Stock Exchanges.

Ipca Laboratories Limited

PART III

3. Amalgamation of the Amalgamating Company into and with the Amalgamated Company

3.1 Transfer and vesting

(a) Upon the coming into effect of this Scheme, and with effect from the Appointed Date, subject to the provisions of this Scheme, the Amalgamating Company along with all its estates, properties, assets, contracts, employees, records, approvals, rights, claims, title and authorities, benefits, liabilities and interest, etc. i.e. the Undertaking shall stand transferred to and vest in and/or be deemed to have been transferred to and vested in the Amalgamated Company, as a going concern, without any further act, instrument, deed, matter or thing being made, done or executed, so as to become, as and from the Appointed Date, the estate, properties, assets, rights, claims, title and authorities, benefits, liabilities and interest of the Amalgamated Company by virtue of and in the manner provided in the Scheme pursuant to the sanction of the Scheme by the Tribunal and the provisions of sections 230 to 232 and other applicable provisions of the Act.

(b) Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon the coming into effect of this Scheme and with effect from the Appointed Date, in relation to the Undertaking:

<u>Transfer of Assets</u>

(i) All assets of the Amalgamating Company that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery, novation and/or by endorsement and delivery or by vesting and recordal of whatsoever nature, or otherwise capable of transfer by delivery of possession or by operation of Law pursuant to this Scheme, shall, pursuant to this Scheme, stand transferred to and vested in and/or be deemed to be transferred to and vested in the Amalgamated Company and shall become the property and an integral part of the Amalgamated Company, with effect on and from the Appointed Date pursuant to the provisions of the Act, all other applicable provisions of applicable Law, if any, without any further act, instrument or deed. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.

(ii) All other movable assets of the Amalgamating Company, including investments in shares and any other securities, contingent assets, sundry debtors, actionable claims, earnest monies, receivables, bills, credits, outstanding loans and advances, recoverable in cash or in kind or for value to be received, bank balances and deposits with Governmental Authorities, customers and other persons, shall, without any further act, instrument or deed, stand transferred to, and vested in the Amalgamated Company without any notice or other intimation to the debtors or obligors or any other person. The Amalgamated Company shall upon sanction of the Scheme be entitled to the delivery and possession of all documents of title of such movable property in this regard. The Amalgamated Company may (without being obliged to do so), if it so deems appropriate, give notice in such form as it deems fit and proper, to each such debtor or obligor or any other person, that pursuant to the sanction of the Scheme by the Tribunal, such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of the Amalgamated Company as the person entitled thereto, to the end and intent that the right of the Amalgamating Company to recover or realise all such debts (including the debts payable by such debtor or obligor or any other person to the Amalgamating Company) stands transferred and assigned to the Amalgamated Company and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors or other persons to record such change

(iii) All debentures, bonds, notes or other debt securities, if any, of the Amalgamating Company, whether convertible into equity or otherwise shall, without any further act, instrument or deed, become the securities of the Amalgamated Company and all rights, powers, duties and obligations in relation thereto shall be and shall stand transferred to and vested in and shall be exercised by or against the Amalgamated Company as if it were the Amalgamated Company in respect of the securities so transferred.

(iv) All lease and license agreements entered into by the Amalgamating Company with landlords, owners and lessors in connection with the use of the assets of the Undertaking including any arrangement(s) between the Amalgamating Company with a government or private entity(ies) together with security deposits and advance/prepaid lease/license fee, rights and easements in relation to such properties, shall stand automatically transferred in favour of the Amalgamated Company on the same terms and conditions, without any further act, instrument, deed, matter or thing being made, done or executed. The Amalgamated Company shall continue to pay rent amounts/license fees/royalty as provided for in such agreements and shall comply with the other terms, conditions and covenants thereunder and shall also be entitled to refund of security deposits/prepaid lease/license fee paid under such agreements by the Amalgamating Company.

(v) All immovable properties, estate, assets of the Amalgamating Company, including land together with the buildings and structures standing thereon or embedded to the land and rights, claim, title, authorities and interests in immovable properties including accretions and appurtenances of the Undertaking of whatsoever nature and wherever situate of the Amalgamating Company, whether freehold or leasehold or sanctioned/allotted by any Governmental Authority or otherwise, all tenancies, and all documents of title, rights and easements in relation thereto shall be vested in and/or be deemed to have been vested in the Amalgamated Company, without any further act or deed done or being required to be done by the Amalgamating Company and/or the Amalgamated Company and the mere filing thereof with the appropriate registrar or sub-registrar or with the relevant Governmental Authority shall suffice as record of continuing titles with the Amalgamated Company and shall be constituted as a deemed mutation and substitution thereof. The Amalgamated Company shall be entitled to exercise all rights and privileges attached to such immovable properties and shall be liable to pay the ground rent, rates and Taxes and fulfil all obligations in relation to or

Ipca Laboratories Limited

applicable to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Amalgamated Company by the appropriate authorities pursuant to the sanction of this Scheme by the Tribunal and upon the coming into effect of this Scheme in accordance with the terms hereof. The appropriate authorities shall grant all clearances/permissions, if any, required for enabling the Amalgamated Company to absolutely own and enjoy the immovable properties in accordance with applicable Law. The Amalgamated Company shall upon the Scheme becoming effective be entitled to the delivery and possession of all documents of title to such immovable property in this regard, which are in possession of the Amalgamating Company.

(vi) All estate, assets, rights, title, claims, interest, investments and properties of the Amalgamating Company as on the Appointed Date, including accretions and appurtenances, whether or not included in the books of the Amalgamating Company, and all assets, rights, title, interest, investments and properties, of whatsoever nature and wherever situate, which is acquired by the Amalgamating Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Amalgamated Company.

(vii) In respect of any lease or license or right to use or any other agreement or arrangement forming part of the Amalgamating Company's assets, either the Amalgamating Company or the Amalgamated Company, as the case may be and to the extent applicable, may make necessary applications for any consent, approval or permission of a Government or a Governmental Authority or any other competent authority. In cases where such an application has been made, and until such consent is obtained, and the relevant agreement is renewed, transferred or assigned, the Amalgamated Company shall derive benefits from and be entitled to exercise all rights thereunder, including the right to deal with the underlying assets as the owner / lessee / licensee / beneficiary of such assets, with effect from the Appointed Date and continue to comply with and fulfil all obligations under such documents and arrangements. Further, until the owned property, leasehold property, property sanctioned/allotted by the Governmental Authority and related rights thereto, license or right to use the immovable property, tenancy rights, liberties and special status shall stand transferred, vested, recorded, effected and/or perfected in the record of the appropriate authorities in favour of the Amalgamated Company, and the Amalgamated Company shall be deemed to be authorised to carry on business (including the entitlement to occupy and use all premises) in the name and style of the Amalgamating Company under the relevant agreement, deed, lease and/or license, sanction letters/orders, as the case may be, and the Amalgamated Company shall keep a record and account of such transactions.

(viii) Until the owned property, leasehold property, property sanctioned/ allotted by the Governmental Authority and related rights thereto, license or right to use the immovable property, tenancy rights, liabilities and special status are transferred, vested, recorded, effected and/or perfected in the record of the appropriate authorities in favour of the Amalgamated Company, the Amalgamated Company shall be deemed to be authorised to carry on business (including the entitlement to occupy and use all premises) in the name and style of the Amalgamating Company under the relevant agreement, deed, lease and/or license, sanction letters/orders, as the case may be, and the Amalgamated Company shall keep a record and account of such transactions.

(ix) For purposes of taking on record the name of the Amalgamated Company in the records of the Governmental Authorities in respect of transfer of immovable properties to the Amalgamated Company pursuant to this Scheme, the Board of Directors of the Amalgamating Company and the Amalgamated Company may approve the execution of such documents or deeds as may be necessary.

(x) All letters of intent, requests for proposal, pre-qualifications, bid acceptances, tenders, and other instruments of whatsoever nature to which the Amalgamating Company is a party to or to the benefit of which the Amalgamating Company may be eligible for, shall remain in full force and effect against or in favour of the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligee thereto. Upon coming into effect of the Scheme, the past track record of the Amalgamating Company shall be deemed to be the track record of the Amalgamated Company for all commercial and regulatory purposes.

(xi) All the security interest over any moveable and/or immoveable properties and security in any other form (both present and future) including but not limited to any pledges, or guarantees, if any, created/executed by any person in favour of the Amalgamating Company or any other person acting on behalf of or for the benefit of the Amalgamating Company for securing the obligations of the persons to whom the Amalgamating Company has advanced loans and granted other funded and non-funded financial assistance, by way of letter of comfort or through other similar instruments shall without any further act, instrument or deed stand vested in and be deemed to be vested in favour of the Amalgamated Company and the benefit of such security shall be available to the Amalgamated Company as if such security was ab initio created in favour of the Amalgamated Company. The mutation or substitution of the charge in relation to the movable and immovable properties of the Amalgamating Company shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Amalgamated Company by the appropriate authorities and third parties (including any depository participants) pursuant to the sanction of this Scheme by the Tribunal and upon the Scheme becoming effective in accordance with the terms hereof.

(xii) All electricity, gas, water and any other utility connections and tariff rates in respect thereof sanctioned by various public sector and private companies, boards, agencies and authorities to the Amalgamating Company, together with security deposits and all other advances paid, shall stand automatically transferred in favour of the Amalgamated Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The relevant electricity, gas, water and any other utility companies, boards, agencies and authorities shall issue invoices in the name of the Amalgamated Company with effect from the billing cycle commencing from the month immediately succeeding the month in which the Effective Date falls. The Amalgamated Company shall comply with the terms,

Ipca Laboratories Limited

conditions and covenants associated with the grant of such connection and shall also be entitled to refund of security deposits placed with such companies, boards, agencies and authorities by the Amalgamating Company.

(xiii) All bank accounts operated or entitled to be operated by the Amalgamating Company shall be deemed to have been transferred and shall stand transferred to the Amalgamated Company and the name of the Amalgamating Company shall be substituted by the name of the Amalgamated Company in the bank's records and the Amalgamated Company shall be entitled to operate all bank accounts, realise all monies and complete and enforce all pending contracts and transactions in the name of the Amalgamating Company to the extent necessary until the transfer of the rights and obligations of the Amalgamating Company to the Amalgamated Company under the Scheme is formally accepted and completed by the parties concerned. For avoidance of doubt, it is hereby clarified that all cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Amalgamating Company after the Effective Date, shall be accepted by the bankers of the Amalgamated Company and credited to the accounts of the Amalgamated Company, if presented by the Amalgamated Company. Similarly, the banker of the Amalgamated Company shall honour all cheques issued by the Amalgamating Company for payment after the Effective Date.

(xiv) For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that in order to ensure the smooth transition and sales of products and inventory of the Amalgamating Company manufactured and/or branded and/or labelled and/or packed in the name of the Amalgamating Company prior to the Effective Date, the Amalgamated Company shall have the right to own, use, market, sell, exhaust or to in any manner deal with any such products and inventory (including packing material) pertaining to the Amalgamating Company at manufacturing locations or warehouses or branches or elsewhere, without making any modifications whatsoever to such products and/or their branding, packing or labelling. All invoices/ payment related documents pertaining to such products and inventory (including packing material) may be raised in the name of the Amalgamated Company after the Effective Date.

Transfer of Liabilities

(xv) Upon the coming into effect of this Scheme, all secured and unsecured Liabilities howsoever arising to the extent they are outstanding as on the Effective Date, shall, pursuant to the provisions of the Act and all other applicable provisions of Laws, be deemed to be the Liabilities of every kind, nature and description of the Amalgamated Company on the same terms and conditions as was applicable to the Amalgamating Company and the Amalgamated Company undertakes to meet, discharge and satisfy the same in terms of their terms and conditions, if any. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or any other person who is a party to any contract or arrangement by virtue of which such Liabilities have arisen, in order to give effect to the provisions of this Clause.

(xvi) It is clarified that all Liabilities incurred or undertaken by the Amalgamating Company after the Appointed Date and prior to the Effective Date shall also

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be deemed to have been incurred or undertaken for and on behalf of the Amalgamated Company and, to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme, pursuant to the provisions of the Act and all other applicable provisions of Law, without any further act, instrument or deed shall stand transferred to and vested in or be deemed to have been transferred to and vested in the Amalgamated Company on the same terms and conditions as was applicable to the Amalgamating Company and shall become the Liabilities of the Amalgamated Company which shall meet, discharge and satisfy the same

(xvii) Where any Liabilities incurred before the Appointed Date by the Amalgamating Company, deemed to have been transferred to the Amalgamated Company by virtue of this Scheme, has been discharged by the Amalgamating Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Amalgamated Company.

(xviii) Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of this Clause shall operate notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security document, all of which instruments shall stand modified and/or superseded by the foregoing provisions of this Scheme. It is expressly provided that, no other terms or conditions of the Liabilities transferred to the Amalgamated Company is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication

Transfer of Encumbrances

(xix) The transfer and vesting of movable and immovable properties as stated above shall be subject to Encumbrances, if any, affecting the same.

(xx) All Encumbrances, if any, existing prior to the Effective Date over the assets of the Amalgamating Company which secure or relate to any liability, shall, after the Effective Date, without any further act, instrument or deed, continue to be related and attached to such assets or any part thereof to which they related or were attached prior to the Effective Date and as are transferred to the Amalgamated Company. Provided that if any of the assets of the Amalgamating Company has not been Encumbered in respect of the liabilities, such assets shall remain unencumbered, and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Amalgamated Company. The absence of any formal amendment which may be required by a lender or trustee or any third party shall not affect the operation of the foregoing provisions of this Scheme.

(xxi) The existing Encumbrances over the other assets and properties of the Amalgamated Company or any part thereof which relate to the liabilities and obligations of the Amalgamated Company prior to the Effective Date shall continue to relate to such assets and properties and shall not extend to or attach to any of the assets and properties of the Amalgamating Company transferred to and vested in the Amalgamated Company by virtue of the Scheme.

Ipca Laboratories Limited

(xxii) Any reference in any security documents or arrangements (to which the Amalgamating Company is a party) to the Amalgamating Company and its assets and properties, shall be construed as a reference to the Amalgamated Company and the assets and properties of the Amalgamating Company transferred to the Amalgamated Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Amalgamating Company and the Amalgamated Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge(s) with the RoC to give formal effect to the above provisions, if required

Transfer of Permits

(xxiii) All Governmental Approvals and other consents, allotments, concessions, credits, awards, sanctions, subsidies, rehabilitation schemes, permissions, quotas, rights, authorisations, entitlements, no-objection certificates and licenses, including those relating to tenancies, pre-qualifications, bid acceptances, tenders, privileges, powers, facilities, letter of allotments and certificates of every kind and description of whatsoever nature, to which the Amalgamating Company is a party or to the benefit of which the Amalgamating Company may be entitled to use or which may be required to carry on the operations of the Amalgamating Company, and which are subsisting or in effect immediately prior to the Effective Date, including the benefits of any applications made for any of the foregoing, shall be, and remain, in full force and effect in favour of or against the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party, a beneficiary or an obligee thereto and shall be appropriately mutated by the relevant Governmental Authorities in favour of the Amalgamated Company. It is hereby clarified that if the consent of any third party or Governmental Authority is required to give effect to the provisions of this Clause, the said third party or Governmental Authority shall make and duly record the necessary substitution/ endorsement in the name of the Amalgamated Company pursuant to the sanction of this Scheme by the Tribunal, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Amalgamated Company shall file appropriate applications/ documents with relevant authorities concerned for information and record purposes.

(xxiv) Without prejudice to the generality of the Clauses mentioned above, the assets of the Amalgamating Company shall also include all permits (including verification permits), licenses, and any other licenses, approvals (including open access), clearances, sanctions, authorities, quotas, allocations granted to the Amalgamating Company, all municipal approvals, panchayat and local approvals, authorisations, statutory rights, permissions, registrations, certificates, consents, authorities (including for the operation of bank accounts), powers of attorneys (given by, issued to or executed in favour of the Amalgamating Company) and benefits of all contracts, allotments, consents, quotas, rights, easements, engagements, exemptions, entitlements, advantages of whatever nature and howsoever named, properties, movable, in possession or reversion, present or contingent of whatsoever nature and where-so-ever situated, liberties, ownerships rights and benefits, earnest moneys payable

Ipca Laboratories Limited

pertaining to the assets mentioned in the aforesaid Clauses, all other rights and benefits, licenses, powers, privileges and facilities of every kind, nature and description whatsoever; right to use and avail of telephones, facsimile connections, installations and other communication facilities and equipment, titles, all other utilities, benefits of all contracts, government contracts, memoranda of understanding, project service agreements, pre-qualification, applications, bids, tenders, letters of intent, concessions, non-possessory contractual rights or any other contracts, development rights, allocated deferred Tax and all other interest in connection with or relation to the Amalgamating Company, shall stand transferred to the Amalgamated Company in accordance with the applicable Laws

(xxv) Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, holidays, incentives, concessions and other authorizations, etc., shall stand vested by the order of sanction of the Tribunal in the Amalgamated Company, the Amalgamated Company shall file the relevant intimations, if required, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the Tribunal.

<u>Transfer of Contracts, Deeds, etc.</u>

(xxvi) All contracts, deeds, bonds, agreements (including consultancy agreements, purchase orders/service orders, operation and maintenance contracts, properties, machineries), memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, minutes of meetings, bids, tenders, expression of interest, letters of intent, arrangements, understandings, engagements, indemnity, guarantees, powers of attorney, authorities given by, issued to, or executed in favour of the Amalgamating Company, deeds and instruments, including hire and purchase arrangements, lease/license agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, whether written or otherwise, and other instruments to which the Amalgamating Company is a party, or to the benefit of which the Amalgamating Company may be entitled, and which are subsisting or having effect immediately prior to the Effective Date, shall, without any further act, instrument or deed, continue in full force and effect against or in favour of, as the case may be, with the Amalgamated Company, and may be enforced effectively by or against the Amalgamated Company as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligor or obligee thereto or thereunder. The Amalgamated Company will, if required, enter into novation agreements in relation to such contracts, deeds, bonds, agreements and other instruments.

(xxvii) All other agreements entered into by the Amalgamating Company in connection with the assets of the Undertaking shall stand automatically transferred in favour of the Amalgamated Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed

Ipca Laboratories Limited

(xxviii) On and from the Effective Date, and thereafter, the Amalgamated Company shall be entitled to complete and enforce all pending contracts and transactions in respect of the Amalgamating Company, in the name of the Amalgamating Company in so far as may be necessary until the transfer of rights and obligations of the Amalgamating Company to the Amalgamated Company under this Scheme has been given effect to under such contracts and transactions.

Transfer of Legal and Other Proceedings

(xxix) All suits, actions, legal or other proceedings, including quasi-judicial, arbitral and other administrative proceedings, of whatsoever nature by or against the Amalgamating Company pending on the Effective Date shall not abate or be discontinued or be prejudicially affected in any way by reason of the Scheme or by anything contained in the Scheme but shall be continued, prosecuted and enforced, as the case may be, by or against the Amalgamated Company, in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Amalgamating Company.

(xxx) It is clarified that until the Scheme coming into effect, the Amalgamating Company shall in consultation with the Amalgamated Company continue and enforce all the legal or other proceedings specified in Clause 3.1(b)(xxix) above, whether pending or initiated pending the Scheme coming into effect.

(xxxi) The Amalgamated Company undertakes to have all legal or other proceedings specified in Clause 3.1(b)(xxix) above, initiated by or against the Amalgamating Company, transferred to its name and to have such proceedings continued, prosecuted and enforced by or against the Amalgamated Company, as the case may be. Following the Effective Date, the Amalgamated Company may initiate any legal proceeding for and on behalf of the Amalgamating Company.

(xxxii) The Amalgamated Company shall be deemed to be authorized under this Scheme to execute any pleadings, applications, forms, etc., as are required to remove any difficulties and carry out any formalities or compliances as are necessary for the implementation of this Scheme.

Transfer of Employees

(xxxiii) With effect from the Effective Date, all the staff and employees of the Amalgamating Company, who are in such employment as on the Effective Date shall become, and be deemed to have become, the staff and employees of the Amalgamated Company, and, subject to the provisions of the Scheme, on terms and conditions not less favourable than those on which they are engaged by the Amalgamating Company and without any interruption of or break in service as a result of the transfer and vesting of the Undertaking to the Amalgamated Company. With regard to provident fund, gratuity, superannuation, leave encashment and any other special scheme or benefits or funds or trusts, if any, created by the Amalgamating Company which exist immediately prior to the Effective Date, the Amalgamated Company shall, to the extent permitted under applicable Law, stand substituted for the

Ipca Laboratories Limited
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Amalgamating Company for all purposes whatsoever, upon the coming into effect of this Scheme, including with regard to the obligation to make contributions to relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by the Amalgamating Company, in accordance with applicable Law. It is hereby clarified that upon the coming into effect of this Scheme, such benefits and schemes shall continue to be provided to the transferred employees and the service of all transferred employees of the Amalgamating Company for such purpose shall be treated as having been continuous.

(xxxiv) With regard to any provident fund, gratuity fund, pension, superannuation fund or other special fund created or existing for the benefit of such employees of the Amalgamating Company, it is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Amalgamating Company in relation to such schemes or funds shall become those of the Amalgamated Company. Upon the Scheme becoming effective, the Amalgamated Company shall stand substituted for the Amalgamating Company for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. Any existing provident fund, gratuity fund and superannuation fund trusts created by the Amalgamating Company for its employees shall be continued for the benefit of such employees on the same terms and conditions until such time that they are transferred to the relevant funds of the Amalgamated Company. It is clarified that the services of all employees of the Amalgamating Company transferred to the Amalgamated Company will be treated as having been continuous and uninterrupted for the purpose of the aforesaid schemes or funds. Without prejudice to the aforesaid, the Board of the Amalgamated Company, if it deems fit and subject to Law, shall be entitled to: (i) retain separate trusts or funds within the Amalgamated Company for the erstwhile fund(s) of the Amalgamating Company; or (ii) merge the pre-existing fund of the Amalgamating Company with other similar funds of the Amalgamated Company.

(xxxv) The Amalgamated Company shall comply with any agreement(s)/ settlement(s) entered into with labour unions/association (if any) or employees by the Amalgamating Company, till their respective validity periods. The Amalgamated Company agrees that for the purpose of payment of any retrenchment compensation, gratuity and other termination benefits, the past services of employees with the Amalgamating Company, shall also be taken into account, and further agrees to pay such benefits when they become due.

(xxxvi) In relation to any funds (including any funds set up by the government for employee benefits) created or existing for the benefit of the transferred employees, the Amalgamated Company shall stand substituted for the Amalgamating Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of such transferred employees.

(xxxvii) The directors of the Amalgamating Company will not be entitled to any

Ipca Laboratories Limited

directorships in the Amalgamated Company by virtue of the provisions of this Scheme. It is clarified that this Scheme will not affect any directorship of any person who is already a director in the Amalgamated Company as on the Effective Date.

Transfer of Intellectual Property

(xxxviii) All Intellectual Property Rights including goodwill of the Amalgamating Company shall stand transferred to and vested in the Amalgamated Company and the Amalgamated Company shall be entitled to all Intellectual Propriety Rights of the Amalgamating Company. Any filings and/or intimations, if required in terms of applicable Law, shall be undertaken with the relevant Governmental Authority, in order to reflect the foregoing by the Companies.

Inter se Transactions

(xxxix) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all inter-se contracts and inter-corporate deposits, 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 Amalgamating Company and the Amalgamated Company, shall, ipso facto, stand discharged and cancelled, cease to operate and come to an end and there shall be no liability in that behalf on any party and appropriate effect shall be given to such cancellation and cessation in the books of accounts and records of the Amalgamated Company. For the removal of doubt, it is clarified that in view of the above, there will be no accrual of income or expense on account of any transactions, including inter-alia any transactions in the nature of sale or transfer of any goods, materials or services, between the Amalgamating Company and the Amalgamated Company. For avoidance of doubt, it is hereby clarified that with effect from the Effective Date, there will be no accrual of interest or other charges in respect of any inter se loans, deposits or balances between the Amalgamating Company and the Amalgamated Company

(xl) all inter-party transactions between the Amalgamating Company and the Amalgamated Company shall be considered as intra-party transactions for all purposes.

Validity of Existing Borrowing Limits, Corporate Approvals

(xli) Upon the coming into effect of this Scheme and with effect from the Appointed Date, the borrowing and investment limits of the Amalgamated Company under the Act shall be deemed without any further act or deed to have been enhanced by the borrowing and investment limits of the Amalgamating Company, such limits being incremental to the existing limits of the Amalgamated Company.

(xlii) Any corporate approvals obtained by the Amalgamating Company, including the corporate approvals obtained by the Amalgamating Company in respect of its subsidiaries/associate company(ies)/joint venture company(ies), whether

Ipca Laboratories Limited

for purposes of compliance or otherwise, including without limitation approvals under Sections 42, 62, 179, 180, 185, 186, 188, etc. of the Act, read with the rules and regulations made thereunder and SEBI LODR Regulations, shall stand transferred to the Amalgamated Company and such corporate approvals and compliance shall be deemed to have been obtained and complied with by the Amalgamated Company.

Taxes

(xliii) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all Taxes payable by, or refundable to, the Amalgamating Company, including any refunds, claims or credits (including credits for income Tax, withholding Tax, advance Tax, self-assessment Tax, minimum alternate Tax, central value added Tax credit, goods and services Tax credits, other indirect Tax credits and other Tax receivables) shall be treated as the Tax liability, refunds, claims, or credits, as the case may be, of the Amalgamated Company, and any Tax incentives, benefits (including claims for unabsorbed Tax losses and unabsorbed Tax depreciation), advantages, privileges, exemptions, credits, Tax holidays, remissions or reductions, which would have been available to the Amalgamating Company, shall be available to the Amalgamated Company, and following the Effective Date, the Amalgamated Company shall be entitled to initiate, raise, add or modify any claims in relation to such Taxes on behalf of the Amalgamating Company.

(c) Without prejudice to the provisions of the foregoing clauses and upon the effectiveness of this Scheme, the Amalgamated Company shall undertake all necessary compliance in relation to the mining leases under the applicable Laws as may be required either before, during or after the effectiveness of the Scheme.

(d) Without prejudice to the provisions of the foregoing clauses and notwithstanding the vesting of the Amalgamating Company into the Amalgamated Company by virtue of Part III of the Scheme itself, the Amalgamating Company and/or the Amalgamated Company, as the case may be, shall, at any time either before, during or after this Scheme becoming effective in accordance with the provisions hereof, if so required under Law or otherwise, do all such acts or things as may be necessary to transfer/obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, benefits, grants, licenses and certificates which were held or enjoyed by the Amalgamating Company. It is hereby clarified that if the consent of any third party or Governmental Authority, if any, is required to give effect to the provisions of this Clause, the said third party or Governmental Authority shall make and duly record the necessary substitution/endorsement in the name of the Amalgamated Company pursuant to the sanction of this Scheme by the Tribunal, and upon this Scheme becoming effective in accordance with the provisions of the Act and with the terms hereof. For this purpose, the Amalgamated Company shall file appropriate applications/ documents with relevant authorities concerned for information and record purposes.

(e) The Amalgamated Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Amalgamating Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

Ipca Laboratories Limited

(f) Without prejudice to the other provisions of the Scheme and notwithstanding the vesting of the Amalgamating Company into the Amalgamated Company by virtue of Part III of the Scheme itself, the Amalgamated Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under Law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement in relation to which the Amalgamating Company has been a party, including any filings with the regulatory authorities in order to give formal effect to the above provisions, if required, and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating Company. The Amalgamated Company will, if necessary, also be a party to the above.

3.2 Business and property in trust and conduct of the business for the Amalgamated Company

(a) With effect from the Appointed Date and up to and including the Effective Date, the Amalgamating Company shall cany on its business with reasonable diligence and except in the ordinary course of business, the Amalgamating Company shall not, without the prior written consent of the Board of Directors of the Amalgamated Company or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage, encumber or otherwise deal with or dispose of any of the assets of the Undertaking or any part thereof.

(b) With effect from the Appointed Date and up to and including the Effective Date:

(i) the Amalgamating Company shall carry on and be deemed to have carried on its business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all its estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions for and on account of, and in trust for, the Amalgamated Company.

(ii) all profits and income accruing or arising to the Amalgamating Company, and losses and expenditure arising or incurred by it (including Taxes, if any, accruing or paid in relation to any profits or income) for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure (including Taxes), as the case may be, of the Amalgamated Company.

(iii) all Liabilities incurred, duties and obligations as on the close of business on the date preceding the Appointed Date, whether or not provided in the books of the Amalgamating Company which arise or accrue to the Amalgamating Company on or after the Appointed Date, shall be deemed to be of the Amalgamated Company.

(iv) any of the rights, powers, authorities or privileges exercised by the Amalgamating Company shall be deemed to have been exercised by the Amalgamating Company for and on behalf of, and in trust for and as an agent of the Amalgamated Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Amalgamating Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Amalgamated Company.

Ipca Laboratories Limited

(v) all Taxes (including, without limitation, income Tax, minimum alternate tax, tax deducted at source, sales Tax, goods and services Tax, excise duty, customs duty, service Tax, VAT, entry Tax, etc.) paid or payable by the Amalgamating Company in respect of the operations and/or the profits of the Undertaking before the Appointed Date, shall be on account of the Amalgamating Company and, in so far as it relates to the tax payment (including, without limitation, income Tax, minimum alternate tax, tax deducted at source, sales Tax, goods and services tax, excise duty, customs duty, service Tax, VAT, entry Tax, etc.), whether by way of deduction at source, advance Tax or otherwise howsoever, by the Amalgamating Company in respect of the profits or activities or operation of the Undertaking with effect from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Amalgamated Company, and, shall, in all proceedings, be dealt with accordingly.

3.3 **Consideration**

(a) Upon the coming into effect of the Scheme and with effect from the Appointed Date, and in consideration of the transfer and vesting of the Undertaking in the Amalgamated Company:

(i) the equity shares and the preference share capital of the Amalgamating Company and which are held by the Amalgamated Company shall stand cancelled and extinguished and in lieu thereof, there shall be no allotment of any equity shares in the Amalgamated Company; and

(ii) the Amalgamated Company shall, without any further application, act or deed, issue and allot New Equity Shares, in the Share Exchange Ratio on basis of the Valuation Report, to the equity shareholder(s) of the Amalgamating Company (other than the equity shareholder mentioned in sub-clause (i) above) whose names are recorded in the register of members as a member of the Amalgamating Company including register and index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, 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 recognized by the Board of the Amalgamated Company) in the following manner and subject to the issuance mechanism set out below:

7 (Seven) Amalgamated Company Equity Shares of the face value of Re. 1/- (Rupee One) each credited as fully paid-up, for every 200 (Two hundred) equity shares of the face value of Rs. 10/- (Rupees Ten) each fully paid-up, held by equity shareholders in the Amalgamating Company ("Share Exchange Ratio").

The Amalgamated Company Shares to be issued by the Amalgamated Company to the shareholders of Amalgamating Company in accordance with this Clause 3.3(a)(ii) shall be hereinafter referred to as "New Equity Shares".

Issuance Mechanism

(b) In the event of there being any pending share transfers, whether lodged or outstanding, of any equity shareholder of the Amalgamating Company, the Board of the Amalgamating Company shall be empowered in appropriate cases, prior to the Record Date, to effectuate such transfer in the Amalgamating Company as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferors of the equity shares in the Amalgamating Company and in relation to the shares issued by the Amalgamated Company, pursuant to Clause 3.3(a)(ii) above, after the effectiveness of the Scheme. The Boards of Companies shall be empowered to remove any such difficulties as may arise in the implementation of this Scheme and registration of new members in the Amalgamated Company on account of difficulties faced in the transition period.

(c) Where New Equity Shares are to be allotted to heirs, executors or administrators, successors of deceased equity shareholders or custodian/legal representatives of the equity shareholders of the Amalgamating Company, the concerned heirs, executors, administrators, successors or custodian/legal representatives shall be obliged to produce evidence of title satisfactory to the Amalgamated Company.

(d) The New Equity Shares to be issued by the Amalgamated Company, pursuant to Clause 3.3(a)(ii) above, in respect of such equity shares of the Amalgamating Company, the allotment or transfer of which is held in abeyance under the provisions of Section 126 of the Act or which the Amalgamated Company is unable to issue due to non-receipt of relevant approvals or due to applicable Law, shall, pending allotment, receipt of approvals or settlement of dispute by order of the appropriate court or where any approvals are required under applicable Law for allotment of the New Equity Shares to any shareholder of the Amalgamating Company, until receipt of such approval, which shall be obtained by the relevant shareholder, and which is duly confirmed by the Amalgamated Company, or otherwise, in each case, be kept in abeyance by the Amalgamated Company.

(e) The New Equity Shares of the Amalgamated Company allotted and issued in terms of Clause 3.3(a)(ii) above, shall be listed and/or admitted to trading on the Stock Exchanges, where the equity shares of the Amalgamated Company are listed and/or admitted to trading as on the Effective Date. The New Equity Shares of the Amalgamated Company shall, however, be listed subject to the Amalgamated Company obtaining the requisite approvals from all the relevant Governmental Authorities pertaining to the listing of the New Equity Shares of the Amalgamated Company, if required under applicable Law. The Amalgamated Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with applicable Law for complying with the formalities of the Stock Exchanges.

(f) Upon the Scheme becoming effective and upon the New Equity Shares of the Amalgamated Company being issued and allotted by it to the equity shareholder(s) of the Amalgamating Company, in terms of Clause 3.3(a)(ii) above, whose names appear on the register of members as a member of the Amalgamating Company on the Record Date or whose names appear as the beneficial owners of the equity shares of the Amalgamating Company in the records of the depositories/register of members, as the case may be, as on the Record Date, the equity shares of the Amalgamating Company, both in electronic form and in the physical form, shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date.

(g) The New Equity Shares of the Amalgamated Company to be allotted and issued to the equity shareholders of the Amalgamating Company as provided in Clause 3.3(a)(ii) above shall be subject to the provisions of the memorandum and articles of association of the Amalgamated Company and shall rank pari-passu in all respects with the Amalgamated Company Equity Shares after the Effective Date including as regards entitlement to dividend and other distributions and repayment of capital declared or paid on or after the Effective Date and voting and other rights.

(h) The issue and allotment of the New Equity Shares by the Amalgamated Company to the equity shareholders of the Amalgamating Company as provided in Clause 3.3(a)(ii) above, is an integral part thereof and shall be deemed to have been carried out without requiring any further act on the part of the Amalgamated Company or its shareholders and as if the procedure laid down under Section 62 or any other applicable provisions of the Act, as may be applicable, and such other statues and regulations as may be applicable were duly complied with. The cancellation of the equity shares and preference shares of the Amalgamating Company held by the Amalgamated Company as provided in this Scheme is an integral part hereof and it is hereby clarified that the consent of the shareholders of the Amalgamated Company to this Scheme and the order of the Tribunal sanctioning the Scheme shall be deemed to be sufficient for the purposes of effecting the aforementioned cancellation, and no further resolution(s) or actions under the Act or any other applicable provisions of the Act would be required to be separately passed or undertaken.

(i) For the purposes of allotment of the New Equity Shares, pursuant to this Scheme, in case any Amalgamating Company's shareholder becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of the New Equity Shares by the Amalgamated Company in accordance with Clause 3.3(a) (ii) above, the Amalgamated Company shall not issue fractional shares to such equity shareholder and shall consolidate all such fractional entitlements and round up the aggregate of such fractions to the next whole number and shall, without any further application, act, instrument or deed, issue and allot such consolidated equity shares directly to an individual, trust or a board of trustees or a corporate trustee nominated by the Amalgamated Company ("Trustee"), who shall hold such New Equity Shares with all additions or accretions thereto in trust for the benefit of the respective equity shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such equity shares in the market at such price or prices at any time within a period of 90 (ninety) days from the date of allotment, and on such sale, distribute the net sale proceeds (after deduction of the expenses incurred and applicable income Tax) to the respective equity shareholders in the same proportion of their fractional entitlements. Any fractional entitlements from such net proceeds shall be rounded off to the next Rupee. It is clarified that any such distribution shall take place only on the sale of all the fractional shares of the Amalgamated Company by the Trustee pertaining to the fractional entitlements.

(j) The New Equity Shares issued by the Amalgamated Company pursuant to Clause 3.3(a)(ii) above, shall be issued to the equity shareholders in demat form. The equity shareholders who hold equity shares in physical form should provide the requisite details relating to his/her/its account with a Depository Participant or other confirmations as may be required, to the Amalgamated Company to enable it to issue the New Equity Shares. In case of equity shareholders for whom such details are not available with the Amalgamating Company and in case of the equity shareholders who hold equity shares in physical form, the Amalgamated Company shall deal with the issuance of the relevant New Equity Shares in such manner as may be permissible under the applicable Law, including by way of issuing the said New Equity Shares in dematerialised form to a demat account held by a trustee nominated by the Board of the Amalgamated Company or into an escrow account opened by the Amalgamated Company or an escrow agent nominated by it, with a depository, as determined by the Board of the Amalgamated Company, where such New Equity Shares of the Amalgamated Company shall be held for the benefit of such equity shareholders (or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title). The New Equity Shares so held in such trustee's account or escrow account, as the case may be, shall be transferred to the respective equity shareholders once such equity shareholder provides details of his/her/its demat account to the Amalgamated Company, along with such documents as may be required by the Amalgamated Company. Such equity shareholders as referenced above shall have all the rights of the shareholders of the Amalgamated Company, including the right to receive dividends, voting rights and other corporate benefits, pending such transfer of the said New Equity Shares from the said trustee's account or the escrow account, as the case may be. All costs and expenses incurred in this respect shall be borne by Amalgamated Company.

(k) The New Equity Shares to be issued by the Amalgamated Company pursuant to Clause 3.3(a)(ii) above in respect of such equity shares of the Amalgamating Company as are subject to lock-in pursuant to applicable Law, if applicable, shall remain locked-in as required under the applicable Law.

(l) In the event, the Amalgamating Company or the Amalgamated Company restructures their equity share capital by way of share split/consolidation/issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio shall be adjusted accordingly, to consider the effect of any such corporate actions.

(m) The New Equity Shares allotted pursuant to the Scheme shall remain frozen in the depositories system until listing/trading permission is given by the Stock Exchanges.

(n) The New Equity Shares to be issued in lieu of the cancelled shares of the equity shareholders held in the unclaimed suspense account of the Amalgamating Company shall be issued to a new unclaimed suspense account created for the equity shareholders of the Amalgamated Company. The New Equity Shares to be issued in lieu of cancelled equity shares of the equity shareholders held in the Investor Education and Protection Fund Authority ("IEPF") shall be issued to IEPF in favour of such equity shareholders.

Ipca Laboratories Limited

3.4 Accounting Treatment

Accounting Treatment in the books of the Amalgamated Company

Pursuant to the Scheme coming into effect, the Amalgamated Company shall account for the transfer of the Amalgamating Company in accordance with acquisition method prescribed under Indian Accounting Standard (IND AS) 103, Business Combinations, notified under Section 133 of the Act, as notified under the Companies (Indian Accounting Standards) Rules, 2015, and generally accepted accounting principles as may be amended from time to time, read with MCA General Circular No. 09/2019 dated August 21, 2019, in its books of account with effect from Appointed Date such that:

(a) The Amalgamated Company shall record all the assets and liabilities of the Amalgamating Company as at the Appointed Date, transferred to and vested in it pursuant to this Scheme (including assets and liabilities not specifically recognised by the Amalgamating Company in its financial statements), at their respective fair values.

(b) The surplus/ deficit between the fair value of Net Assets ("Net Assets" means excess of fair value of assets over the fair value of liabilities recognised as per Clause 3.4(a) above pertaining to the Amalgamating Company) and the fair value of the purchase consideration paid by the Company as per Ind AS 103 shall be credited to capital reserve/debited to goodwill, as the case may be.

(c) Any matter not dealt with in clauses hereinabove shall be dealt with in accordance with applicable IND AS.

Accounting Treatment in the books of the Amalgamating Company

Upon the coming into effect of this Scheme, the Amalgamating Company shall stand dissolved without being wound up and all the assets and liabilities as well as reserves shall be transferred to the Amalgamated Company, on a going concern basis. Hence there is no accounting treatment prescribed under this Scheme in the books of the Amalgamating Company.

3.5 Dissolution of the Amalgamating Company

(a) Upon the coming into effect of this Scheme, the Amalgamating Company shall stand dissolved without being wound up, without any further act or deed.

(b) Upon the coming into effect of this Scheme, the name of the Amalgamating Company shall be struck-off from the records of the RoC. The Amalgamated Company shall make all necessary filings in this regard. The Amalgamated Company shall maintain the books and records of the Amalgamating Company, in terms of the provisions of Section 239 of the Act.

Ipca Laboratories Limited

3.6 Reorganisation of the Authorised Share Capital of the Amalgamating Company

(a) Upon the Scheme becoming effective and with effect from the Appointed Date, and as an integral part of the Scheme, the authorised equity share capital of the Amalgamating Company shall be reclassified/reorganised such that each equity share of Rs. 10/- (Rupees Ten only) each of the Amalgamating Company shall stand reclassified/reorganised as ten equity shares of Re. 1/- (Rupee One only) each. The authorized preference share capital of the Amalgamating Company shall continue as it is.

(b) It is clarified that the approval of the equity shareholder(s) of the Amalgamating Company to this Scheme shall be deemed to be their consent/approval to the reclassification of the authorised share capital envisaged under this Clause of the Scheme, as required under Sections 13, 61 and other applicable provisions of the Act.

3.7 Consolidation of the Authorised Share Capital of the Amalgamating Company with the Authorised Share Capital of the Amalgamated Company

(a) Upon the Scheme becoming effective and with effect from the Appointed Date, and pursuant to the reclassification and reorganization of the resultant authorized share capital of the Amalgamating Company as set out in Clause 3.6 above, the resultant authorized share capital of the Amalgamating Company shall stand transferred to and be amalgamated/combined with the authorized share capital of the Amalgamated Company and that the authorized share capital of the Amalgamated Company shall automatically stand increased to that effect upon filing the requisite forms with the RoC and no separate procedure or instrument or deed shall be required to be followed under the Act. In accordance with Section 232(3)(i) of the Act, the fees or stamp duty, if any, paid by the Amalgamating Company on its authorized share capital shall be deemed to have been so paid by the Amalgamated Company on the combined authorized share capital, and the Amalgamated Company shall not be required to pay any fee/stamp duty for the increase of the authorized share capital.

(b) Clause V of the memorandum of association of the Amalgamated Company (relating to the authorised share capital) shall, upon this Scheme becoming effective, and without any further act, instrument or deed, be altered, modified and amended, accordingly, pursuant to sections 13, 61 and 64 and other applicable provisions of the Act.

(c) For the avoidance of doubt, it is clarified that, in case, the authorised share capital of the Amalgamated Company undergoes any change on account of any corporate actions or otherwise, then Clauses 3.7(a) and 3.7(b) shall automatically stand increased/modified/adjusted to take into account the effect of such change.

(d) For removal of doubt, it is clarified that the approval of this Scheme by the equity shareholders of the Amalgamated Company under sections 230 to 232 of the Act, shall be deemed to have been an approval under Sections 13, 14, 61 and 64 or any other applicable provisions under the Act and no further resolution(s) would be required to be separately passed in this regard.

Ipca Laboratories Limited

3.8 **Matters Relating to Tax in respect of the Undertaking**

(a) The provisions of Part III of this Scheme are intended to comply with the conditions relating to "Amalgamation" as specified under Section 2(6) of the Income Tax Act. If, at a later date, any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of Section 2(6) of the Income Tax Act, including as a result of an amendment of Law or the enactment of a new legislation or for any other reason whatsoever, the provisions of Section 2(6) of the Income Tax Act, or a corresponding provision of any amended or newly enacted Law, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(6) of the Income Tax Act or a corresponding provision of any amended or newly enacted Law. Such modification(s) will, however, not affect the other parts of the Scheme. The power to make such modification(s), if necessary, shall vest with the Boards of Directors of the Amalgamating Company and the Amalgamated Company, which power shall be exercised reasonably in the best interest of the Amalgamating Company, the Amalgamated Company and their respective shareholders and creditors in accordance with Clause 4.2. In addition, upon the Scheme becoming effective:

(i) to the extent required, the Amalgamating Company and the Amalgamated Company are permitted to revise and file their respective Income Tax returns, withholding Tax returns (including Tax deducted at source certificates and Tax collected at source certificates), Sales Tax, Value Added Tax, Service Tax, Central Sales Tax, Entry Tax, Octroi, Local Tax Law, Excise and Central Value Added Tax Duty Laws, Custom Duty Laws, Goods and Services Tax returns and any other Tax returns, even if the time limits prescribed under the Income Tax Act or any other Act have lapsed and that the Amalgamated Company is also expressly permitted to claim refunds/credits in respect of any transaction by and between the Amalgamating Company and the Amalgamated Company; and

(ii) the Amalgamated Company shall be entitled to: (a) claim deduction with respect to items such as provisions, expenses, etc. disallowed in earlier years in the hands of the Amalgamating Company, which may be allowable in accordance with the provisions of the Income Tax Act on or after the Appointed Date; and (b) exclude items such as provisions, reversals, etc. for which no deduction or Tax benefit has been claimed by the Amalgamating Company prior to the Appointed Date

(b) Upon the Scheme becoming effective, notwithstanding anything to the contrary contained in the provisions of this Scheme, all accumulated Tax loss and unabsorbed Tax depreciation of the Amalgamating Company as on the Appointed Date, shall, for all purposes, be treated as accumulated Tax loss and unabsorbed Tax depreciation of the Amalgamated Company. It is further clarified that any business loss and unabsorbed depreciation of the Amalgamating Company as specified in its books of account shall be included as business loss and unabsorbed depreciation of the Amalgamated Company for the purposes of computation of minimum alternate Tax.

(c) Upon the Scheme becoming effective, the Amalgamated Company shall be entitled to claim refunds (including refunds or claims pending with the Tax authorities) or credits, with respect to Taxes paid by, for, or on behalf of, the Amalgamating

Ipca Laboratories Limited

Company under applicable Laws, including Income Tax, Minimum Alternate Tax, Tax Deducted at Source, sales Tax, Value Added Tax, Service Tax, Entry Tax, Custom Duty, Goods and Services Tax or any other Tax, whether or not arising due to an inter-se transactions between the Amalgamating Company and the Amalgamated Company, even if the prescribed time limits for claiming such refunds or credits have lapsed.

(d) Upon the Scheme becoming effective and with effect from the Appointed Date, all Taxes, cess, duties and liabilities (direct and indirect), payable by or on behalf of the Amalgamating Company, including any taxes paid and taxes deducted at source and deposited by the Amalgamated Company on inter se transactions between the Appointed Date and Effective Date, shall, for all purposes, be treated as Taxes, cess, duties and liabilities, as the case may be, of the Amalgamated Company.

(e) Upon the Scheme becoming effective and with effect from the Appointed Date, all unavailed credits and exemptions and other statutory benefits, including in respect of Income Tax, Central Value Added Tax, Customs, Value Added Tax, Sales Tax, Service Tax, Entry Tax and Goods and Services Tax to which the Amalgamating Company is entitled shall be available to and vest in the Amalgamated Company, without any further act or deed.

(f) Any Tax liabilities under the Income Tax Act or other applicable Tax Laws or regulations allocable to the Amalgamating Company, whether or not provided for or covered by any Tax provisions in the accounts of the Amalgamating Company made as on the date immediately preceding the Appointed Date, shall be transferred to the Amalgamated Company. Any surplus in the provision for Taxation or duties or levies in the accounts of the Amalgamating Company, including advance Tax and Tax deducted at source as on the close of business in India on the date immediately preceding the Appointed Date will also be transferred to the account of the Amalgamated Company.

(g) All Tax assessment proceedings and appeals of whatsoever nature by or against the Amalgamating Company, pending or arising as at the Effective Date, shall be continued and/or enforced by or against the Amalgamated Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Amalgamating Company. Further, the aforementioned proceedings shall neither abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Amalgamating Company with the Amalgamated Company or anything contained in this Scheme.

(h) Any refund under the Income Tax Act or any other Tax Laws related to or due to the Amalgamating Company, including those for which no credit is taken as on the date immediately preceding the Effective Date, shall also belong to and be received by the Amalgamated Company.

(i) Without prejudice to the generality of the above, all benefits, incentives, claims, losses, credits (including income Tax, service Tax, excise duty, goods and services Tax and applicable state value added Tax) to which the Amalgamating Company is entitled to in terms of applicable Tax Laws, shall be available to and vest in the Amalgamated Company from the Effective Date.

Ipca Laboratories Limited

3.9 **Saving of concluded transactions**

The transfer of assets, properties and liabilities and the continuance of proceedings by or against the Amalgamating Company under Clause 3.1(b) above shall not affect any transaction or proceedings already concluded by the Amalgamating Company on and after the Appointed Date until the Effective Date, to the end and intent that the Amalgamated Company accept and adopt all acts, deeds and things done and executed by the Amalgamating Company in respect thereto as done and executed on behalf of the Amalgamated Company.

PART IV

4. General Terms and Conditions

4.1 Applications to the Tribunal

(a) The Companies shall make necessary applications and/or petitions pursuant to Sections 230 to 232 of the Act and other applicable provisions of the Act to the jurisdictional Tribunal(s) for approval of the Scheme and all matters ancillary or incidental thereto, as may be necessary to give effect to the terms of the Scheme.

(b) The Companies shall be entitled, pending the effectiveness of the Scheme, to apply to any Governmental Authority, if required, under any Law for such consents and approvals, which the respective Companies may require to effect the transactions contemplated under the Scheme, in any case subject to the terms as may be mutually agreed between the relevant Companies.

4.2 Modification or Amendments to the Scheme

(a) Subject to Clause 4.2(d), the Companies may mutually, by their respective Boards of Directors or such other person or persons, as the respective Boards of Directors (including any committee or sub-committee thereof), may authorize, may assent and/or make and/or consent to (i) any modifications/amendments to the Scheme (including but not limited to the terms and conditions thereof); or (ii) to any conditions or limitations that the Tribunal or any other Governmental Authority may deem fit to direct or impose; or (iii) modification/amendment which may otherwise be considered necessary, desirable or appropriate by them. No further approval of the shareholders or creditors of any of the Companies shall be necessary for giving effect to the provisions of this Clause.

(b) The Companies, by their respective Boards of Directors or such other person or persons, as the respective Boards of Directors may authorize (including any committee or sub-committee thereof), 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 authorities or otherwise howsoever arising out of, or under, or by virtue of the Scheme and/or any matter concerned or connected therewith (including any question or difficulty arising in connection with any insolvent or deceased shareholders) or to review the position relating to the satisfaction of the various conditions of the Scheme and if necessary, to waive any of those (to the extent permissible under the Law).

(c) For the purpose of giving effect to this Scheme or to any modifications or amendments or additions thereto, the respective Board of Directors of the Companies may jointly give and are hereby jointly authorised to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on the Companies, in the same manner as if the same were specifically incorporated in this Scheme.

(d) Notwithstanding anything stated in Clauses 4.2(a), 4.2(b) and 4.2(c) hereinabove, no amendments or changes to the Scheme shall be carried out or be permissible unless and until the same are approved by the Tribunal before which the Companies have filed the petition for sanctioning the Scheme.

Ipca Laboratories Limited

(e) In the event of any inconsistency between any of the terms and conditions of any earlier arrangement between the Companies and their respective shareholders and/or creditors, if any, and the terms and conditions of this Scheme, the latter shall prevail.

4.3 Scheme conditional upon approvals/sanctions

Unless otherwise decided (or waived) by the Companies, the effectiveness of the Scheme is and shall be conditional upon and subject to the fulfilment or waiver (to the extent permitted under applicable Law) of the following conditions precedent:

(a) the requisite Stock Exchanges Approval having been obtained by the Companies in relation to the Scheme, which shall be in form and substance acceptable to the Companies, each acting reasonably and in good faith;

(b) the Scheme being approved by the requisite majority of public shareholders of the Amalgamating Company and the Amalgamated Company (by way of e-voting), respectively, as required under the SEBI Schemes Master Circular;

(c) the Scheme being approved by the respective requisite majorities of the classes of members and creditors (where applicable) of the Companies in accordance with the Act or dispensation having been received from the Tribunal in relation to obtaining such approval from the shareholders and/or creditors or any Law permitting the respective Companies not to convene the meetings of its shareholders and/or creditors;

(d) the Scheme being confirmed/approved by the Tribunal, either on terms as originally approved by the Companies, or subject to such modifications approved by the Tribunal, which shall be in form and substance acceptable to the Companies, each acting reasonably and in good faith; and

(e) certified copies of the confirmation orders of the Tribunal confirming/ sanctioning the Scheme being filed with the RoC by the respective Companies.

4.4 Dividends

(a) The Companies shall be entitled to declare and pay dividends, whether interim and/or final, to their respective shareholders prior to the Effective Date, but only in the ordinary course of business.

(b) 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 shareholder of the respective Companies to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Companies, and if applicable in accordance with the provisions of the Act, be subject to the approval of the shareholders of the respective Companies.

Ipca Laboratories Ltd.

4.5 Interpretation

If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any provisions of Law 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 Law shall prevail. Subject to obtaining the sanction of the Tribunal, if necessary, this Scheme shall then stand modified in accordance with Clause 4.2 of the Scheme to the extent determined necessary to comply with the said provisions. Such modification will, however, not affect other parts of this Scheme. Notwithstanding the other provisions of this Scheme, the power to make such amendments/modifications as may become necessary, whether before or after the Effective Date, shall, subject to obtaining the sanction of the Tribunal if necessary, vest with the Board of Directors of the respective Companies, which power shall be exercised reasonably in the best interests of the Companies and their respective shareholders.

4.6 Severability

(a) If any part of this Scheme is invalid, ruled illegal by any court of competent jurisdiction, or unenforceable under present or future Law, then it is the intention of the Companies that such part shall be severable from the remainder of the Scheme. Further, if the deletion of such part of this Scheme may cause this Scheme to become materially adverse to the Companies, then in such case the Companies shall attempt to bring about a modification in the Scheme, as will best preserve for the Companies the benefits and obligations of the Scheme, including but not limited to such part.

(b) If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the mutual agreement of the Companies, affect the validity or implementation of the other parts and/or provisions of this Scheme.

4.7 No cause of action

No third party claiming to have acted or changed its position in anticipation of this Scheme taking effect, shall get any cause of action against the respective Companies or their respective directors or officers, if the Scheme does not take effect or is withdrawn, amended or modified for any reason whatsoever.

4.8 Effect of Non-Receipt of Approvals; Withdrawal

(a) In the event of any of the said confirmations/sanctions and approvals as set out in Clause 4.3 of this Scheme not being obtained and/or the Scheme not being confirmed/sanctioned by the Tribunal, the Scheme shall become null and void and the Companies shall bear and pay their respective costs, charges and expenses for and/or in connection with the Scheme.

(b) The Companies, acting through their respective Board of Directors, may mutually agree in writing to withdraw this Scheme from the Tribunal.

4.9 Costs and Expenses

All costs, duties, levies, fees, charges and expenses payable by the Companies in relation to or in connection with the Scheme and/or incidental to the completion of the Scheme shall be borne and paid by the Amalgamated Company.

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