

**COMPOSITE SCHEME OF ARRANGEMENT/AMALGAMATION**

**UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013, READ WITH  
COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES,  
2016 AND OTHER APPLICABLE PROVISIONS AND RULES THEREUNDER**

**BETWEEN**

**SUYOSHA HEALTHCARE PRIVATE LIMITED**

**(TRANSFEROR COMPANY-1)**

**SAHRUDAYA HEALTH CARE (KURNOOL) PRIVATE LIMITED**

**(TRANSFEROR COMPANY-2)**

**AND**

**SAHRUDAYA HEALTH CARE PRIVATE LIMITED**

**(TRANSFeree COMPANY)**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

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**PREAMBLE**

This Scheme of Arrangement/amalgamation (“Scheme”) is presented for the merger of Suyosha Healthcare Private Limited (“Transferor Company 1” or “Suyosha”) and Sahrudaya Health Care (Kurnool) Private Limited (“Transferor Company 2” or “SHKPL”) with Sahrudaya Health Care Private Limited (“Transferee Company” or “Resultant Company” or “SHPL”), on a going concern basis, pursuant to Sections 230 to 232 and the rules made thereunder, and other applicable provisions of the Companies Act, 2013. This Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

**DESCRIPTION OF COMPANIES**

**1. Suyosha Healthcare Private Limited**

1.1 The Transferor Company 1 is a private limited company with limited liability incorporated on the 19<sup>th</sup> day of April 2011 under the provisions of the Companies Act, 1956, having CIN U85110TG2011PTC073953 and the PAN of the Transferor Company 1 is AAPCS6765E.

1.2 The Transferor Company 1 has its registered office at # H No: 1-90/7/B/28,30 & 59, Plot No: 5 To 11 Survey No: 78, Patrikanagar, Madhapur Village Hyderabad – 500 081 in the State of Telangana within the jurisdiction of the Registrar of Companies, Hyderabad.

1.3 The Transferor Company 1 is engaged in the business of providing patients the highest quality care and most advanced maternity treatment by top doctors, gynecologists, obstetrician in the country, in nearly every medical specialty with respect to women and childcare, including Gynecology, Laparoscopy, Pediatrics & Neonatology, Fertility, Fetal Medicine & NICU, etc. at Hyderabad, Telangana (“**Woman and Child Care**”). The main objects of the Transferor Company 1 are as below:

- a. To own, establish, run, manage, maintain, hospitals, multi-specialty hospitals, research centers, diagnostic centers, blood bank service centers, immunisation centers, medical and other research centers, nursing homes, health centers, rehabilitation centers, clinics, polyclinics, laboratories and to apply or provide utility articles and services to patients, attendants and others and to provide aid to medical personnel for research and development and to act and work as consultants in medical profession in India and abroad.
- b. To act as importers, exporters, dealers and distributors of and manufacturers of equipment, surgical instruments, required by laboratories, hospitals and others, set up by educational institutions, nursing homes, hospitals, health care centers for research and development centers of trade and industry and provide repairs and maintenance services on annual contract basis or otherwise and to set up laboratory for testing of materials made from various types of anatomical, orthopedic or surgical instruments, implants, metals of all descriptions including ferrous and non ferrous metal and raw materials of every description.
- c. To carry on the business, as manufacturers of and dealers in and importers, and exporters of all kinds of basic drugs, drug intermediates, any chemicals, heavy or fine, organic, agro-chemicals, aromatic chemicals, dyes and dyes intermediates, pharmaceuticals, medicinal, herbal, bacteriological, biological, chemicals, cotton, woolen, bandages, cotton, gauge, crutches and all allied chemicals and products thereof.
- d. To carry on the business of rendering various services relating to treatment of ailments including in particular running pathological laboratories, X-ray clinics, research centers and cardiographic and sonographic centers.



- e. To carry on and develop the business of retail and wholesale of pharmacy items, by way of setting up of pharmacy stores in the form of retail outlets in various hospitals, localities, shopping malls, shopping centers, beauty parlour and any other place in India and abroad.

## 2. **Sahrudaya Health Care (Kurnool) Private Limited**

2.1 The Transferor Company 2 is a private limited company with limited liability incorporated on the 27<sup>th</sup> day of October 2015 under the provisions of the Companies Act, 2013, having CIN U85191TG2015PTC101361 and the PAN of the Transferor Company 2 is AAWCS3735M.

2.2 The Transferor Company 2 has its registered office at # H No: 1-90/7/B/28, 30 & 59, Plot No: 5 to 11, Survey No: 78, Patrikanagar, Madhapur Village Hyderabad – 500 081 in the State of Telangana within the jurisdiction of the Registrar of Companies, Hyderabad.

2.3 The Transferor Company 2 is engaged in the business of providing patients the highest quality care and most advanced medical treatments/surgeries/procedures through its well experienced and qualified doctors, surgeons, and medical staff, at Near, RTC Bus Stand, Idgah Colony, Kurnool, Andhra Pradesh 518004 (“**Medicover Hospitals, Kurnool**”). The main objects of the Transferor Company 2 are as below:

- a. To carry on the business of promoting, owning, running, administering, managing, investing in or establishing multi-specialty modern hospitals, dispensaries, nursing homes, clinics, laboratories, cord blood stem cell banks, pharmacies, maternity homes, child welfare and family planning centers in India and abroad and /or to act as consultants and advisors providing technical know-how, technical and allied services for the establishment, operation and improvement of hospitals, medical centers, nursing homes, clinics, cord blood stem cell banks, maternity homes and laboratories in India and abroad.
- b. To setup laboratories, purchase and acquire any equipment and instruments required for carrying out medical investigation and to educate and train medical students, nurses, hospital administrators and technicians for medical and paramedical faculties and to grant such certificates and recognition as the Company prescribe or deem fit from time to time and to construct and provide suitable boarding and lodging facilities primarily for patients and who accompany the patients admitted in the hospitals.

c. To establish, manage, operate, run and maintain diagnostic and therapeutic Medical



Centers, Nursing Homes, mobile medical service centers, health clubs and any medical healthcare institutions and to establish modern nursing homes with all amenities attached to it, together with all clinical laboratories, X-Ray, pathological laboratory (Biological and Micro-Biology), Blood Bank and other modern diagnostic services either on their own and/or through franchisees.

**3. Sahrudaya Health Care Private Limited**

3.1 The Transferee / Resulting Company is a private limited company with limited liability incorporated on the 25<sup>th</sup> day of January 2011, having CIN U85100TG2011PTC072383. SHPL is a flagship entity running the business of multi-specialty hospitals and has 8 subsidiaries who are in the similar line of business.

3.2 The Transferee / Resulting Company has its registered office at H No: 1-90/7/B/28,30 & 59, Plot No: 5 To 11, Survey No: 78, Patrikanagar, Madhapur Village, Hyderabad – 500 081 in the State of Telangana within the jurisdiction of the Registrar of Companies, Hyderabad.

3.3 The Transferee / Resulting Company is engaged in the business of running multi- specialty modern hospitals, dispensaries, laboratories, pharmacies etc. The main objects of the Transferee/Resulting Company are:

- a. To carry on the business of promoting, owning, running, administering, managing, investing in or establishing multi-specialty modern hospitals, dispensaries, nursing homes, clinics, laboratories, cord blood stem cell-banks, pharmacies, maternity homes, child welfare and family planning centers in India and abroad and/or to act as consultants and advisors providing technical know-how, technical and allied services for the establishment, operation and improvement of hospitals, medical centers, nursing homes, clinics, cord blood stem cell banks, maternity homes and laboratories in India and abroad;
- b. To setup laboratories, purchase and acquire any equipment and instruments required for carrying out medical investigation and to educate and train medical students, nurses, hospital administrators and technicians for medical and paramedical faculties and to grant such certificates and recognition as the company prescribe or deem fit from time to time and to construct and provide suitable boarding and lodging facilities primarily for patients and who accompany the patients admitted in the hospitals;



- c. To establish, manage, operate, run and maintain diagnostic and therapeutic Medical Centers, Nursing Homes, mobile medical service centers, health clubs and any medical healthcare institutions and to establish modern nursing homes with all amenities attached to it, together with all clinical laboratories, X-Ray, pathological laboratory (Biological and Micro-Biology), Blood Bank and other modern diagnostic services either on their own and/or through franchisees.
4. Both Suyosha/Transferor Company 1 and SHKPL/Transferor Company 2 entities are the wholly owned subsidiaries of SHPL/Transferee Company.
5. Suyosha/Transferor Company 1, SHKPL/Transferor Company 2 and SHPL/Transferee Company are together referred to as “Participating Companies” in this Scheme.

**6. OBJECTS, BENEFITS, OVERVIEW AND RATIONALE OF THIS SCHEME**

- 6.1 The Board of Directors of all the Participating Companies in the Scheme of Arrangement have identified and acknowledged that though the commercial activities and undertaking of the Transferor Companies, and the Transferee Company are complimentary, however, the consolidation shall effectively help to manage and mitigate the risks and rewards and other considerations and factors applicable to each such undertaking due to significant scale of operations and robust financial condition upon consolidation.
- 6.2 In order to achieve this objective, the Board of Directors of the Participating Companies have arrived at the unanimous decision to bring together the identified businesses under one umbrella and it is proposed to transfer to and vest the entire business of the Transferor Companies into the Transferee / Resulting Company and it is towards this intent that the present Scheme has been constructed.
- 6.3 The rationale of the Scheme is as follows:
- a) Facilitate consolidation of the undertakings in order to enable effective management and unified control of operations.
  - b) Create economies in administrative and managerial costs by consolidating operations.
  - c) Reduce duplication of administrative responsibilities and multiplicity of records and legal and regulatory compliances.

It is envisaged that the said merger proposal would be in the larger interest of the shareholders, creditors, and employees of all the Participating Companies and the implementation of the



Scheme would help to achieve effective growth and maximization of shareholders wealth while protecting the interests of all stakeholders of the Participating Companies.

It is further envisaged that the implementation of the Scheme shall *inter alia* have the following specific benefits:

1. To ensure business consolidation and continuity

- a. The Transferor Company 1 has made significant investment in bio-medical and non bio-medical equipment and human resources for its Woman and Child Care business and is presently employing around 184 personnel (including 47 as contract employees). Similarly, the Transferor Company 2 has made significant investment in bio-medical and non-bio-medical equipment and human resources for its multi-specialty hospital: Medicovert Hospitals, Kurnool business and is presently employing around 518 personnel (including 122 as contract employees). Both the Woman and Child Care and Medicovert Hospitals, Kurnool businesses are capital- and labour- intensive businesses, being carried on in a competitive environment.
- b. The highly competitive condition in the domestic markets resulted in very low profits margins for the said hospital business of Transferor Company 1. The Transferor Company 1 has thus been incurring losses approximately since 2016-2017. The losses incurred over the past few years is presented below:

			Losses after taxes [in Indian Rupees (Million)]
S. No	Financial Year	Accounting GAAP	Transferor Company 1
1	16-17	IGAAP	(40.60)
2	17-18	IGAAP	(22.15)
3	18-19	IGAAP	(16.84)
4	19-20	IND AS	(23.78)
5	20-21	IND AS	(47.07)

The Transferor Company 1 is heavily reliant on its parent company to support and fund its losses.

- c. The proposed merger will bring in a distinctive synergy as the cash flow from the profit-making multispecialty business of the Transferee Company would improve the cash flow saliency of the Transferor Companies' businesses and ensure their respective business continuity. It will lead to more efficient utilization of capital and create a strong capital



base for the future growth of the amalgamated company/ the Transferee Company, which will provide strong financial structure to all concerns.

- d. The proposed merger will bring synergies by consolidating ownership and will result in achieving a simple and transparent ownership structure and ease of sharing & optimum utilization of medical expertise and resources among the Participating Companies' hospitals, which will *inter-alia* not only help in rendering of better and seamless medical services to the patients and customers but also in bringing greater brand recognition and improved visibility.
  - e. Needless to state the combined entity, post-merger, would provide sustainable employment to around 6083 skilled and unskilled workers.
2. To ensure retrofitability
- a. The infrastructure of the Woman and Child Care business of Transferor Company 1 is almost 6 plus years old and needs substantial refurbishments and similarly the Medicovert Hospitals, Kurnool business of Transferor Company 2 is almost 7 plus years old and require substantial refurbishments. Since the businesses are making losses, the respective companies have not been able to carry out the mandatory refurbishments.
  - b. The proposed Scheme would improve the liquidity of the Woman and Child Care and Medicovert Hospitals, Kurnool businesses and help them to carry out the required capital works to retrofit and stay relevant in the market and improve their respective business offerings.
3. To improve debt serviceability
- a. The positive cash accrual of the Transferee Company would improve the credit profile of both the Transferor Companies and their businesses.
  - b. The cash flow of the Transferee / Resulting Company would also help Transferor Companies to refinance the debt at an opportune time to help it to reduce the cost of debt taken.



- c. The consolidation of the capital of the Transferor Companies and the Transferee Company will help the Transferee Company to raise more debt, if it requires the same, by leveraging the capital combined through this Scheme.
  - d. The Transferee Company will derive and avail the benefits of assets, reserves and cash flows of the Transferor Companies, thereby increasing its financial strength and the ability to make larger investments.
4. To leverage relationships
- a. The Multispecialty hospital business and Woman and Child Care business are, in a way, complementary businesses and combining the said businesses will result in enhancing shareholders value.
  - b. The Multispecialty business of the Transferee Company has strong relationships with various corporates, and which will help the Transferor Companies businesses under the direct control and management of the Transferee Company, to increase their respective operations and thus become sustainable.
5. To ensure proper compliances & certifications
- a. Both the Woman and Child Care and Multispecialty business are regulated and needs extensive regulatory compliances and certifications. Failure to adhere to compliance and certification requirements from any quarter will bring the operations to a halt and hence periodic and timely compliance of various certifications are of paramount importance. Bringing together both the businesses under one umbrella would ensure that all requisite compliances and certifications are met duly and diligently.
  - b. The Scheme is also a step towards ensuring significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the various subsidiaries in the Group.
  - c. The Scheme will help in reducing regulatory and legal compliance obligations including accounting, reporting requirements, statutory and internal audit requirements, tax filings, law requirements at present to be carried out by the Participating Companies.

  


  


  




6. To avoid potential conflict between the Woman and Child Care Business and Multispecialty Business.

- a. The Woman and Child Care Business of the Transferor Company 1 which is relatively asset light and quality human resource centric, is witnessing significant growth and is required to be scaled up to tap the enormous business potential. The growth in the healthcare sector in the Asian economies in the last 5-6 years have been phenomenal which compels the Asian countries to put up the required infrastructure for maintenance of their ever-increasing fleet size, which is a 'space of opportunity' for the Multispecialty Business of the Transferee Company to leverage and grow.
- b. The Multispecialty business enjoys higher EBITDA multiple in the marketplace compared to standalone Woman and Child Care business. Hence merging the Multispecialty with Woman and Child Care business, with greater focus to scale up would be value accretive.
- c. The Board of Directors of the Participating Companies have therefore decided to merge both the Transferor Companies businesses in the Multispecialty business of Transferee Company to focus on advisory services of technical aspects of healthcare and operations and maintenance in the healthcare business for prospective patients.

7. To rationalize multiple subsidiaries

- a. The Scheme is an initiation of the Sahrudaya Group's attempt to ensure optimized legal entity structure which will help it to constructively align its various business activities.
- b. Reorganizing the legal entities in the group structure would help in achieving significant cost savings as well as simplification benefits.
- c. Consolidation of business would help in simplifying group structure leading to better administration and reduction in costs from more focused operational efforts, rationalization, standardization and simplification of the business and compliance processes and the elimination of duplication, and rationalization of administrative expenses.
- d. Consequent upon the merger, the Transferee Company would be able to optimize the resources required for overall general and administrative and operational purposes, and this would reduce the cost of maintaining and using separate resources.



8. To optimize management resources at the Top Management Level

The multiple organization structure of the top management of the business verticals of the Participating Companies being consolidated through this Scheme would also be consolidated into a single structure and thereby bring in operational, cost and decision-making efficiency.

9. The Scheme would ensure other benefits like:

- a. Better and efficient utilization of resources of the Participating Companies by ensuring greater synergy of operations and economies of scale.
- b. Better administrative and managerial control for the management from the synergy in operation and management.
- c. Clubbing the Authorised Share Capital of the Transferor Companies with the Authorised Share Capital of the Transferee Company.
- d. The Scheme would consolidate the activities, which are complimentary to each other, of each of the Participating Companies and thereby reduce the risks and increase the rewards therefrom and contribute towards efficient management of the businesses and result in sustainable long-term growth, profitability, market share and continuous customer service.
- e. The scheme will also result in administrative and operational rationalization, organisational efficiencies, reduction of overheads and other expenses and optimal utilisation of various resources. It will prevent cost duplication, overlapping of administrative responsibilities and multiplicity of records, legal and regulatory compliances generally involved with running of two separate entities.

This Scheme is in the best interests of the shareholders and creditors of the Participating Companies and they shall not be prejudiced by the Scheme. The Scheme does not seek any waiver of any rights or outstanding obligations towards the creditors and shareholders of the Participating Companies.

  


  


  


**PARTS OF THE SCHEME**

The Scheme is divided into the following parts:

**Part A** deals with the definitions and the share capital.

**Part B** deals with the merger of the Transferor Companies with the Transferee / Resulting Company.

**Part C** deals with the general terms and conditions that will be applicable to the entire Scheme and other matters consequential and integrally connected thereto.

The image shows three blue ink signatures and circular corporate seals. The first seal on the left is for Sahrudata Health Care Pvt. Ltd. with a signature over it. The middle seal is also for Sahrudata Health Care Pvt. Ltd. with a signature over it. The seal on the right is for Suyosha Health Care Pvt. Ltd. Hyderabad with a signature over it.

## PART A

### DEFINITIONS AND SHARE CAPITAL

#### 1. DEFINITIONS AND INTERPRETATION

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

- 1.1. "Act" means the Companies Act, 2013 to the extent of the provisions notified and shall include any other statutory amendment or re-enactment or restatement and the rules and/or regulations and/or other guidelines or notifications under law, made thereunder from time to time;
- 1.2. "Appointed Date" means commencement of business on 01.04.2022 or such other date as may be fixed or approved by the NCLT;
- 1.3. "Board" or "Board of Directors" means the board of directors of the Transferor Companies and / or the Transferee / Resulting Company, as the context may require, from time to time;
- 1.4. "Effective Date" means the date on which the authenticated copy or the certified copy of the order, whichever is earlier, issued by the NCLT, sanctioning this Scheme is filed by the respective companies participating in this Scheme with the Registrar of Companies, Telangana at Hyderabad after obtaining the necessary consents, approvals, permissions, resolutions, agreements, sanctions and orders and if the authenticated / certified copies are filed on different dates, the last of such dates. References herewith to "the coming into effect of this Scheme" or "this Scheme becoming effective" shall mean the Scheme becoming operational on the Effective Date but with effect from the Appointed Date;
- Any references in this Scheme to "upon this Scheme becoming effective" or "upon coming into effect of this Scheme" or "upon the Scheme coming into effect" shall be construed to be a reference to the Effective Date; provided however, that such references shall not affect the deemed taking into effect of certain parts of this Scheme, whether prior to, or after, other parts of this Scheme, as specifically contemplated herein;
- 1.5. "Income Tax Act" means (Indian) Income Tax Act, 1961, including any amendments or restatement or statutory re-enactment thereof;

*For and on behalf of*

*[Signature]*

*[Signature]*

*[Signature]*<sup>12</sup>

- 1.6. “**NCLT**” means the National Company Law Tribunal bench at Hyderabad, Telangana set up under the Companies Act, 2013 and operating under the National Company Law Tribunal Rules, 2016;
- 1.7. “**Registrar of Companies**” means the Registrar of Companies, Telangana, at Hyderabad having jurisdiction over the Participating Companies involved in the Scheme;
- 1.8. “**Scheme**” means this Scheme of Arrangement as set out herein in its present form, or with any modification(s) approved or imposed or directed by the NCLT at Hyderabad;
- 1.9. “**Transferor Company 1**” shall mean Suyosha Healthcare Private Limited;
- 1.10. “**Transferor Company 2**” shall mean Sahrudaya Health Care (Kurnool) Private Limited;
- 1.11. “**Transferee / Resulting Company**” shall mean Sahrudaya Health Care Private Limited;

The expressions, which are used in this Scheme and not defined therein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Income Tax Act, and other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time, in particular, wherever reference is made to the Courts in this Scheme, the reference would include, if appropriate, reference to the NCLT or such other forum or authority, as may be vested with any of the powers of the courts under the Act.

## 2. SHARE CAPITAL

- 2.1. The share capital of the Transferor Company 1 as on July 31, 2022 is as under:

Authorized capital	Amount (Rs.)
<ul style="list-style-type: none"> <li>90,00,000 Equity shares of Rs.10/- each</li> </ul>	9,00,00,000
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	9,00,00,000
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Issued, subscribed and paid-Up capital	Amount (Rs.)
<ul style="list-style-type: none"> <li>89,61,400 Equity shares of Rs.10/- each</li> </ul>	8,96,14,000



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And the share capital of the Transferor Company 2 as on July 31, 2022 is as under:

Authorized capital	Amount (Rs.)
<ul style="list-style-type: none"> <li>1,80,00,000 Equity shares of Rs.10/- each</li> </ul>	18,00,00,000
Issued, subscribed and paid-Up capital	Amount (Rs.)
<ul style="list-style-type: none"> <li>1,79,90,952 Equity shares of Rs.10/- each</li> </ul>	17,99,09,520

2.2. The share capital of the Transferee / Resulting Company as on July 31, 2022 is as under:

Authorized capital	Amount (Rs.)
6,23,00,000 equity shares of Rs.10/- each	62,30,00,000
Issued, subscribed and paid-Up capital	Amount (Rs.)
3,70,13,557 equity shares of Rs.10/- each	37,01,35,570

## **PART B**

### **MERGER OF THE TRANSFEROR COMPANIES INTO THE TRANSFEREE COMPANY**

3. The proposed merger of the Transferor Company 1 and Transferor Company 2 (Transferor Companies) into the Transferee Company under this Scheme shall be as per the provisions of Sections 230 to 232 of the Act. The merger shall comply with the provisions of Section 2(1B) of the Income Tax Act, 1961 such that:

- a. All the properties of the Transferor Companies, being transferred to the Transferee Company, immediately before the merger, become the properties of the Transferee Company by virtue of the merger;
- b. All the liabilities of the Transferor Companies, being transferred to the Transferee Company, immediately before the merger, become the liabilities of the Transferee Company by virtue of the merger;

#### **4. CLUBBING OF AUTHORIZED SHARE CAPITAL**

Upon the Scheme becoming effective, the authorized capital of the Transferor Companies shall be transferred and merged with the authorized capital of the Transferee Company and consequently the capital clause of the Memorandum of Association of the Transferee Company shall stand automatically amended to reflect the said merger, without the requirement of any further act or deed including the passing of any resolution or filing of any form or payment of any further registration fee and all relevant provisions and procedures prescribed in this regard shall be deemed to be complied with by the Transferee Company. Consequently, Clause 5 of the Memorandum of Association of the Transferee Company will stand amended and read as follows:

- V. *The Authorised Share Capital of the Company is Rs.89,30,00,000 (8,93,00,000 Equity Shares of Rs.10/- each), in accordance with the Articles of Association of this company from time to time, subject to the provisions of the Companies Act, 2013.*

#### **5. CHANGE IN OBJECTS CLAUSE OF TRANSFEREE COMPANY**

Upon the Scheme becoming effective, the main object clause of the Memorandum of Association of the Transferee Company shall be altered and amended, without any further act or deed, to include the objects mentioned under the main object clause of the Memorandum of



Association of the Transferor Companies, and the consent of the shareholders of the Transferee Company to the Scheme shall be deemed to be sufficient for the purpose of effecting this amendment, and no further resolution(s) under Sections 13, 14, or any other applicable provisions of the Act would be required to be separately passed, as the case may be, and for this purpose.

## 6. EFFECTIVE DATE AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) as may be approved or as may be imposed or as may be directed by the NCLT, shall become operative from the Effective Date but shall be effective and implemented from the Appointed Date.

## 7. TRANSFER OF ASSETS

7.1. With effect from the Appointed Date and upon the Scheme becoming effective, the entire business together with all the assets and liabilities of the Transferor Companies, including tangible and intangible assets, medical and non-medical equipment, plant and machinery, furniture and fixtures, computers, vehicles, servers and networking equipment, office equipment, electrical installations, telephones, telex, facsimile and other; communication facilities and business licenses, permits, authorizations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall without further act or deed, but subject to the charges affecting the same be transferred and/or deemed to be transferred to and vested in the Transferee Company as a going concern, so as to become the properties of the Transferee Company pursuant to Sections 230 to 232 of the Act and the order of the NCLT sanctioning this Scheme.

7.2. With effect from the Appointed Date and upon the Scheme becoming effective, all assets and properties of the Transferor Companies which are movable in nature shall be transferred by the Transferor Companies to the Transferee Company, including by delivery, and without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company.

7.3. All immovable properties of the Transferor Companies, whether freehold or leasehold or otherwise, all tenancies, licenses, leases and all documents of title, rights and easements in relation thereto shall stand transferred to and be vested in and / or be deemed to have been transferred and stand transferred to and vested in the Transferee Company, without any further





act or deed or conveyance or attornment or assignment or novation to be done or any instrument to be executed by the Transferor Companies and / or the Transferee Company, as set out hereunder in Clause 7 and in particular the Transferor Companies do hereby, through the Scheme:

- (i) convey, transfer, assign and assure all its right, title and interest in its immovable properties unto the Transferee Company free from any encumbrances and reasonable doubts;
- (ii) convey, transfer, assign and assure all its rights, titles and interest in the leases, agreements to lease, lease deeds, licenses or other documents executed pursuant to any lease with any and all tenants with respect to its immovable properties, together with the rights to use the same and the easementary rights to use and/or enter upon the same and further together with compounds, all appurtenances, trees, plants, lights, liberties, privileges, easements, profits and rights whatsoever and all benefits incidental and arising therefrom subject to the payment of all rents, rates, assessments, taxes and dues, if any, now chargeable upon the same or hereafter to become payable to the Government or to the municipal authorities, collector, tehsildar or any other public body or local authority in respect thereof;
- (iii) notwithstanding any act, deed, matter or thing whatsoever done, committed, omitted by the Transferor Companies or any person or persons lawfully or equitably claiming by, from, through, under or in trust for the Transferor Companies, the Transferor Companies have good right, full power and absolute authority to convey, transfer, release and assure its immovable properties in favour of the Transferee Company;
- (iv) the Transferee Company shall and may from time to time and at all times hereafter peaceably and quietly be entitled to enter upon, occupy, possess and enjoy the immovable properties of the Transferor Companies hereby granted, conveyed, transferred and assured with its appurtenances and receive the rents, other charges, issues and profits thereof and of every part thereof to and for its own use and benefit without any lawful eviction, interruption, claim and demand whatsoever from or by the Transferor Companies or by any person lawfully or equitably claiming or to claim by from under or in trust for the Transferor Companies; and
- (v) the Transferor Companies shall at all times hereafter at the request and cost of the Transferee Companies do and execute all reasonable acts, deeds, matters and things,



*[Signature]*



*[Signature]*



*[Signature]*

for better further and more perfectly transferring its immovable properties to the use of the Transferee Company in the manner aforesaid as shall or may be reasonably required by the Transferee Company and its nominee or its Counsel in law for assuring the immovable properties of the Transferor Companies including every part thereof hereby granted, conveyed, transferred and assured unto and to the use of the Transferee Company in the manner aforesaid.

- 7.4. The mutation / substitution of the title to such infrastructure and the immovable properties of the Transferor Company 1 and Transferor Company 2 shall be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of the Scheme by the NCLT and the Scheme becoming effective in accordance with the terms hereof. Both the Transferor Company 1 and Transferor Company 2 shall take all steps as may be necessary to ensure that lawful, peaceful and unencumbered possession, right, title and interest in their respective Infrastructure and the immovable properties being given to the Transferee Company.
- 7.5. The Transferee Company shall be entitled to exercise all rights and privileges attached to such immovable properties of the Transferor Company 1 and Transferor Company 2 including the right to use, enjoy, occupy, develop and possess the immovable properties along with all rights of ownership and right to deal with and dispose of such immovable properties and appropriate all consideration arising therefrom as the Transferee Company deems fit and shall be liable to pay the ground rent, taxes and to fulfill all obligations in relation to or applicable to such immovable properties. The relevant authorities shall grant and/or endorse all clearances/permissions, if any, required for enabling the Transferee Company to absolutely own / leased and enjoy the immovable properties in accordance with applicable law. The substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of this Scheme by NCLT in accordance with the terms hereof.
- 7.6. In respect of such of assets other than those referred to in Sub-Clauses 7.2 and 7.3 above, the same shall, as more particularly provided in Sub-Clause 7.1 above, without any further act, instrument or deeds including lease deeds/leave and license agreements/rent agreements etc., be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company on and from the Appointed Date;
- 7.7. With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions or approvals, consents, registrations etc. held by the Transferor



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Companies required to carry on operations in their respective businesses (including any statutory licenses, permissions or approvals or consents relating to its infrastructure and operations) shall stand vested in and transferred to the Transferee Company without any further act or deed, and shall be appropriately mutated or endorsed by the statutory authorities concerned therewith in favour of the Transferee Company without insisting for any application or registration for effecting such transfer or endorsement. The benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents shall stand vested in or transferred to or deemed amended in favour of the Transferee Company as if the same were originally granted to, issued to or executed in favour of the Transferee Company and shall become available to the Transferee Company pursuant to the Scheme. In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any government body, local authority or by any other person, or availed of by the Transferor Companies relating to the Transferor Companies, are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions as applicable to the Transferor Companies, as if the same had been allotted and/ or granted and/ or sanctioned and/ or allowed to the Transferee Company.

- 7.8. All cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of the Transferor Companies and pertaining to the Transferor Companies after the Effective Date, shall be accepted by the bankers of the Transferee Company and credited to the accounts of the Transferee Companies, if presented by the Transferee Company. It is hereby expressly clarified that any legal proceedings by or against the Transferor Companies in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Companies and pertaining to the Transferor Companies shall be instituted, or as the case may be, continued, by or against, the Transferee Company after coming into effect of the Scheme.
- 7.9. All taxes, duties, cess payable by the Transferor Companies relating to its business including all or any refunds/tax losses/credit/claims relating thereto shall be treated as the liability or refunds/tax losses/credit/claims, as the case may be, of Transferee Company, upon the Scheme becoming effective and with effect from the Appointed Date.
- 7.10. The Transferee Company shall be entitled to revise its income tax returns, wealth tax returns, tax deducted at source ("TDS") returns, and other statutory returns as may be required under respective statutes pertaining to indirect taxes, such as goods and service tax (GST), sales-tax,



value added tax, excise duties, service tax, etc., upon the Scheme becoming effective and with effect from the Appointed Date.

- 7.11. 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 (i) implementation of the provisions of the Scheme; (ii) uninterrupted transfer of all consents, approvals, permissions, licenses, registrations, certificates etc.; and (iii) continued vesting of the benefits, exemptions available to the Transferor Companies in favour of the Transferee Company, the Board of Directors of the Transferor Companies and the Transferee Company shall be deemed to be authorised to execute or enter into necessary documentations with any regulatory authorities or third parties, if applicable and the same shall be considered as giving effect to the NCLT order and shall be considered as integral part of this Scheme.

## **8. TRANSFER OF LIABILITIES**

- 8.1 With effect from the Appointed Date and upon the Scheme becoming effective, all the debts and liabilities incurred by the Transferor Companies, contingent liabilities, duties and obligations and any accretions and additions or reductions thereto of the Transferor Companies shall be deemed to be transferred to and be vested in the Transferee Company so as to become the liabilities of the Transferee Company. It is clarified that the Scheme shall become effective and will be with effect from the Appointed Date.

## **9. TRANSFER OF THE UNDERTAKINGS OF THE TRANSFEROR COMPANIES ON A GOING CONCERN BASIS**

- 9.1 With effect from the Appointed Date and upon the Scheme becoming effective, the undertakings of the Transferor Company 1 and Transferor Company 2 shall be transferred on a going concern basis to the Transferee Company.

## **10. TRANSFER OF EMPLOYEES**

- 10.1. Upon the coming into effect of this Scheme, all employees, if any, engaged with the Transferor Company 1 and Transferor Company 2 as on the Effective Date shall become the employees of the Transferee Company, and, subject to the provisions, hereof, on terms and conditions not less favorable than those on which they are engaged by the respective Transferor Companies, without any interruption of service as a result of the merger of Transferor Companies into the Transferee Company.



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- 10.2. Till the Effective Date of this Scheme, the Transferor Companies shall continue to make the statutory contributions to the government maintained provident fund and / or other funds in relation to all its staff, workmen and employees. The Transferee Company shall, on and from the Effective Date, make statutory contributions towards such provident fund and / or other funds in respect of the staff, workmen and employees taken over by it pursuant to this Scheme from the Transferor Companies.
- 10.3. The services of all transferred staff, workmen and employees of the Transferor Companies transferred to the Transferee Company will be treated as having been continuous for the purpose of the aforesaid employee benefits and / or liabilities. For the purpose of payment of any retrenchment compensation, gratuity, and / or other terminal benefits, and / or any other liability pertaining to staff, workmen and employees, the past services of such staff, workmen and employees with the Transferor Companies shall also be taken into account by the Transferee Company, who shall pay the same if and when payable, and accordingly, the period of service of such employees shall be reckoned therefore from the date of their respective appointment in the Transferor Companies.
- 10.4. In the event of retrenchment of the employees of the Transferor Companies on and after the Appointed Date, the Transferee Company will be liable to pay retrenchment compensation in accordance with law on the basis that the services of the employees shall have been continuous and shall not have been interrupted by reason of such merger.

#### **11. TRANSFER OF ALL LEGAL, TAXATION OR OTHER PROCEEDINGS**

All legal, taxation or other proceedings (whether civil or criminal including before any governmental authority) by or against the Transferor Company 1 and Transferor Company 2 under any applicable laws whether pending on Effective Date or which may be instituted at any time, and in each case relating to the liability, obligation or duties of the Transferor Company 1 and Transferor Company 2 in respect of their respective business shall be continued and enforced, after the Effective Date, by or against the Transferee Company.

#### **12. TRANSFEROR COMPANIES' BUSINESS AFTER APPOINTED DATE**

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



- (a) The Transferor Companies shall carry on and shall be deemed to have been carrying on all business and activities for the Transferee Company;
- (b) All profits or income arising or accruing in favour of or received by the Transferor Companies and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax credit, fringe benefit tax, securities transaction tax, taxes withheld/paid in a foreign country, goods and service tax, value added tax, sales tax, service tax, goods and services tax, etc.) or losses arising or incurred by the Transferor Companies shall, for all purposes, be treated as and deemed to be the profits or income, taxes or losses, as the case may be, of the Transferee Companies;
- (c) All liabilities, debts and obligations incurred by or arising against the Transferor Companies at any time including on and after the start of business hour on the Appointed Date, shall form part of the business of the Transferee Company; and
- (d) All assets and properties acquired and liabilities and obligations incurred by the Transferor Companies in relation to its business on and after the Appointed Date shall belong to the Transferee Company.

### 13. LEGAL PROCEEDINGS

13.1. All legal proceedings of whatsoever nature by or against the Transferor Company 1 and Transferor Company 2 pending and/ or arising at the Appointed Date and relating to them, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or anything contained in this Scheme but shall be continued and enforced by or against the Transferee Company in the manner and to the same extent as would or might have been continued and enforced by or against the respective Transferor Companies. In the event of any difference or difficulty in determining as to whether any specific legal or other proceeding relates to Transferor Companies or not, a certificate jointly issued by the Board of Directors of the Transferor Companies and the Transferee Company as to whether such proceeding relates to the Transferor Companies or not, shall be conclusive evidence of the matter.

13.2. The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Companies referred to in Clause 13.1 above, transferred into its name



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on and after the Appointed Date and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Companies.

- 13.3. On and from the Effective Date, the Transferee Company shall have the right to initiate, defend, compromise or otherwise deal with any legal proceedings in relation to the Transferor Companies, in the same manner and to the same extent as it would or might have been initiated by the Transferor Companies, as the case may be, had the Scheme not been made.
- 13.4. On and from the Appointed Date, if any proceedings are taken by or against the Transferor Companies pertaining to the period commencing on or after the Appointed Date but prior to the Effective Date, the Transferor Companies shall till the Effective Date continue and/or defend the same.

#### 14. TRANSFER OF CONTRACTS, DEEDS, ETC

- 14.1. Subject to the other provisions of this Scheme and upon the coming into effect of the Scheme, all contracts, deeds, lease deeds, agreement to lease, license agreements, bonds, schemes, engagements, arrangements, agreements and other instruments, if any, of whatsoever nature, relating to the Transferor Companies to which the Transferor Companies are a party and are subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and eventually as if, instead of the Transferor Companies, the Transferee Company had been a party thereto, without any act or deed to be done or executed by the Transferor Companies or the Transferee Company. The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novation, to which the Transferor Companies will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, the Transferee Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of Transferor Companies and to implement or carry out all formalities required on the part of the Transferor Companies to give effect to the provisions of this Scheme.
- 14.2. Further in the event that the Transferor Companies is/are a party to any agreement relating to the Transferor Companies with the Transferee Company itself, then the rights and obligations of such Transferor Companies under such an agreement will stand transferred and vested with the Transferee Company in pursuance to the Scheme.



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- 14.3. As a consequence of the merger of the Transferor Companies with the Transferee Company in accordance with or pursuant to this Scheme, the recording of change in name in the records of the statutory or regulatory authorities from the Transferor Companies to the Transferee Company, whether pertaining to any license, registration, permit, approval or any other matter, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the concerned statutory or regulatory body/authority or any other authority.
- 14.4. Without prejudice to the aforesaid, it is clarified that if any contracts, deeds, bonds, agreements, lease deeds, agreements to lease, licenses, schemes, arrangements or other instruments of whatsoever nature which the Transferor Companies holds or owns or to which either of the Transferor Companies is/are a party to, cannot be transferred to the Transferee Company for any reason whatsoever, the Transferor Companies shall hold such assets, contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Transferee Company, in so far as it is permissible so to do, till such time as the transfer is given effect to.

## 15. CONSIDERATION

- 15.1. Upon the Scheme becoming effective and in consideration of the merger of the Transferor Company 1 and Transferor Company 2 with the Transferee Company, the share capital of the Transferor Companies shall be merged with the Transferee Company. Accordingly:
- *The entire equity share capital of the Transferor Company 1 and Transferor Company 2 is held by the Transferee Company and its nominee (if any). In other words, the Transferor Companies are wholly owned subsidiaries of the Transferee Company. Upon the scheme becoming effective, the entire share capital of the Transferor Companies shall be cancelled and extinguished.*

## 16. ACCOUNTING TREATMENT

- 16.1. The accounting treatment of the merger of the Transferor Companies in the books of the Transferee Company shall be in compliance with the applicable accounting standards notified under Section 133 of the Act and other generally accepted accounting principles.





## 17. CONSEQUENTIAL MATTERS RELATING TO TAX

- 17.1. Upon the Scheme becoming effective, the Transferee Company is expressly permitted to claim refunds/credits on account of all taxes including but not limited to service tax/GST in accordance with the tax laws / rules, pertaining to the Transferor Companies.
- 17.2. In accordance with the rules framed under the CENVAT Credit Rules, 2004 or any statutory modification or re-enactment thereof, as are prevalent on the Effective Date, the unutilized excise duty / service tax / GST credits, if any, relating to the excise duty / service tax / GST paid on input goods / services pertaining to the Transferor Companies shall be transferred to the credit of the Transferee Company, as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the service tax /GST payable by it (as applicable), without limitation.
- 17.3. All unutilized credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including but not limited to tax deducted at source, tax collected at source, advance tax, minimum alternate tax credit etc.) pertaining to the Transferor Companies shall be transferred to the credit of the Transferee Company.

## 18. SAVING OF CONCLUDED TRANSACTIONS OR PROCEEDINGS

- 18.1 The transfer of the business of the Transferor Companies under the Scheme and the continuance of suits, appeals, or other proceedings by or against the Transferor Companies shall not affect any transaction or proceedings concluded by the Transferor Companies, with or without the prior written consent of the Transferee Company, during the period between the date of acceptance of this Scheme by the Boards of Transferor Companies and the Transferee Company and till the Effective Date, and the Transferee Company hereby accepts and adopts all acts, deeds and things done and executed by the Transferor Companies as if done and executed on behalf of itself.



## PART C

### GENERAL TERMS AND CONDITIONS APPLICABLE TO THIS SCHEME

#### **19. APPLICATION TO THE NCLT**

The Transferor Companies and the Transferee / Resulting Company shall make necessary applications / petition (either jointly or separately) to the NCLT for the sanction of the Scheme.

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

20.1. Subject to the approval of NCLT, the Participating Companies may make, or consent to, any modifications or amendments to the Scheme or to any conditions or limitations thereof, that they, the NCLT or any other competent authority, may deem fit to direct or impose, or which may otherwise be considered necessary or desirable, to solve all difficulties that may arise for carrying out the Scheme, and do all acts, deeds and things necessary for giving effect to the Scheme or the objectives thereof. The Participating Companies by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, shall be authorized to take all such steps as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

20.2. For the purpose of giving effect to this Scheme or to any modification or amendments thereof or additions thereto, the delegate(s) and/ or Directors of the Participating Companies may give and are hereby 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 all parties, in the same manner as if the same were specifically incorporated in this Scheme.

#### **21. CONDITIONALITY OF THE SCHEME**

21.1. Subject to the directions as may be issued by the NCLT, this Scheme is and shall be conditional upon the following:

- (a) Obtaining the approval, of the requisite majority of such class of the shareholders and creditors, if any, of the Participating Companies as the case may be, if required and in accordance with the directions of the NCLT;



- (b) Obtaining the sanction and orders under the provisions of Section 230 to Section 232 of the Act and other applicable provisions of the Act by the Participating Companies to the Scheme from the NCLT; and
- (c) Filing the authenticated/ certified copy of the order of the NCLT sanctioning the Scheme with the jurisdictional Registrar of Companies, by the Participating Companies.

## 22. EFFECT OF NON-RECEIPT OF APPROVALS OR SANCTION

- 22.1. In the event the conditions referred to in Clause 21 and the directions of the NCLT, are not satisfied, this Scheme shall stand revoked, cancelled and shall be of no effect, save and except, in respect of any act or deed done prior thereto, as is contemplated hereunder or as to any rights and/or liabilities, which might have arisen or accrued pursuant thereto and which shall be governed and be preserved as is specifically provided in the Scheme or under applicable law.
- 22.2. Notwithstanding anything contrary to the Scheme, the Transferor Companies and Transferee/ Resulting Company, acting through its respective Boards of Directors, for any reason as they deem fit, including in case any condition or alteration imposed by the NCLT or any other authority is not acceptable to them, shall be at liberty to withdraw this Scheme prior to the Effective Date.

## 23. SEVERABILITY

- 23.1. If any part of this Scheme hereof is invalid, ruled illegal by NCLT or unenforceable under present or future laws, then it is the intention of the Participating 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 Participating Companies, then in such case the Participating Companies shall attempt to bring about a modification in the Scheme, as will best preserve for the Participating Companies the various benefits and obligations of the Scheme, including but not limited to such part.
- 23.2. 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 Participating Companies, affect the validity or implementation of the other parts and/or provisions of this Scheme.



23.3. Subject to the provisions of Clauses 21 and 22, the non-receipt of any sanctions or approvals for a particular asset or liability forming part of the Transferor Companies getting transferred pursuant to this Scheme, shall not affect the effectiveness of the other parts of the Scheme.

#### 24. COSTS, CHARGES AND EXPENSES

24.1. All costs, charges, taxes including duties, levies, stamp duties and all other expenses, if any (save as expressly otherwise agreed) of the Participating Companies arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto unless specified herein the Scheme shall be borne by the respective companies and / or the holding Company or as may be decided by the Board of Directors of the respective companies.

#### 25. EFFECT OF NON – RECEIPT OF APPROVALS / SANCTIONS

In the event of the Scheme failing to take effect for any reason whatsoever, the Scheme shall become null and void and, in that event, no rights or liabilities shall accrue to or be incurred by the parties or their shareholders, creditors or any other person. In such case, each company shall bear and pay its respective costs, charges and expenses for and / or in connection with the Scheme or as may mutually be agreed.

#### 26. DISSOLUTION OF THE TRANSFEROR COMPANIES

On the Scheme becoming effective and subject to an order being made by the Hon'ble Tribunal, the Transferor Companies shall be dissolved without going through the process of winding up with effect from the effective date or such other date as may be fixed by the Hon'ble Tribunal.

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