



Innovating for
affordable healthcare

Shilpa Medicare Limited

Corporate & Admin Office :

"Shilpa House", # 12-6-214/A-1, Hyderabad Road,
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Email: info@vbshilpa.com, Web: www.vbshilpa.com

CIN: L85110KA1987PLC008739

19th June, 2021

Corporate Relationship Department,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400 001

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block
Bandra Kurla Complex, Bandra (E)
Mumbai-400 051

Sir/Madam,

Sub: Disclosure under Regulation 37(6) of SEBI (LODR) Regulations, 2015.

Ref: Scrip Code: 530549

With reference to the above cited subject we hereby submit the disclosure under Regulation 37(6) of SEBI (LODR) Regulations, 2015, in relation to the proposed amalgamation of M/s INM Technologies Private Limited (a wholly owned subsidiary of Shilpa Medicare Limited) with Shilpa Medicare Limited.

We submit herewith the following documents in relation thereto:

1. Draft Scheme of Amalgamation as per **Annexure-I**
2. Certified true copy of the resolution passed by Board of Directors of the Company as per **Annexure-II**
3. Certified copy of the Scheme of Amalgamation / Arrangement proposed to be filed before the High Court as per **Annexure-III**.
4. Report of the Audit Committee as per **Annexure-IV**
5. Auditor's Certificate confirming the compliance of the accounting treatment as per **Annexure-V**

We request you to kindly consider and take the same on record.

Thanking you,

For **SHILPA MEDICARE LIMITED**



V V KRISHNA CHAITANYA
COMPANY SECRETARY & COMPLIANCE OFFICER



Encl: As above

SCHEME OF AMALGAMATION
BETWEEN
SHILPA MEDICARE LIMITED
(TRANSFEEEE COMPANY)
AND
INM TECHNOLOGIES PRIVATE LIMITED
(TRANSFEROR COMPANY)
AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
(UNDER SECTION 230 READ WITH SECTION 232 OF THE
COMPANIES ACT, 2013)

PREAMBLE

A. PREAMBLE OF THE SCHEME

This Scheme of Amalgamation is presented under Section 230 read with Section 232 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder including any statutory modifications or re-enactments thereof, if any, and provides for the Amalgamation of **INM TECHNOLOGIES PRIVATE LIMITED** (hereinafter referred to as "**INM/ Transferor Company**") with **SHILPA MEDICARE LIMITED** (hereinafter referred to as "**SML/ Transferee**

Company”) on a going concern basis and the consequent cancellation of equity shares held by the Transferee Company in the Transferor Company and the dissolution of the Transferor Company without winding up.

The Scheme also provides for various other matters consequential to or otherwise integrally connected with the above in the manner provided for in this Scheme.

B. DESCRIPTION OF THE COMPANIES

1.1 INM TECHNOLOGIES PRIVATE LIMITED (TRANSFEROR COMPANY)

a) INM TECHNOLOGIES PRIVATE LIMITED, is a private limited company incorporated on 23/01/2015 (Twenty-Third Day of January, Two Thousand and Fifteen) in the State of Karnataka. The present Corporate Identification Number (CIN) of the Company is U73100KA2015PTC078494. (hereinafter referred to as the **“INM /Transferor Company”**).

b) The registered office of the Transferor Company is presently situated at 13-E/13, 1st Phase, Kumbalagodu Industrial Area, Mysore Road, Kengeri Hobli, South Bangalore, KA- 560074.

c) The main object of the Transferor Company Company as per the Memorandum of Association is "To carry out the business of manufacture, nano-research for Advanced Materials & Technologies, consulting and offering services and innovative products in the area of Nanotechnology, Material Science and Engineering and service in Advanced Technology and Product Development, establishment of centralised facility for all deposition, characterization and testing techniques, analytical service on nano and micro structured materials to various industrial sectors and to develop and integrate nanostructured materials in the products of customers of various industrial sectors including Pharmaceuticals, Biotech, Chemical, Food, Aviation, Defence, Building/ Construction, Bio-medical, Optics, Energy, Textiles, Nutraceuticals, Microelectronics, Photonics, Telecommunications, Agricultural, Mechatronics and Nanoelectronics and to impart need-based training/ course work in different areas of Nanoscience, Nanotechnology and Environment to train public, students, NGOs and

Government functionaries, certificate course for the benefit of different students with background of all branches of Engineering, Pharmacy, Medicine, and Science. To develop research programs and forward-looking technologies to meet industrial needs and strengthen industrial competitiveness at national and international level. To participate in National and International research programs funded by various government and non-government agencies.”

d) The Authorized Capital of the Transferor Company as on 31st March, 2020 is 45,00,00,000/- (Rupees Forty-Five Crores) divided into 15,00,000 (Fifteen Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each and 4,35,00,000 (Four Crores Thirty-Five Lakhs) Preference Shares of Rs. 10/- (Rupees Ten) each.

e) The issued, subscribed and paid-up share capital of the Transferor Company as on 31st March, 2020 is Rs. 43,96,76,700/- (Rupees Forty-Three Crores Ninety-Six Lakhs Seventy-Six Thousand and Seven Hundred) divided into 15,00,000 (Fifteen Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each and 4,24,67,670 (Four Crore

Twenty-Four Lakhs Sixty-Seven Thousand Six Hundred and Seventy Only) of Rs. 10/- each.

- f) All the Equity Shares and Preference Shares of the Transferor Company as above are held by the Transferee Company and its nominee. Accordingly, the Transferor Company is a wholly owned subsidiary of the Transferee Company.

1.2 SHILPA MEDICARE LIMITED (TRANSFEEE COMPANY)

- a) SHILPA MEDICARE LIMITED is a listed public company was originally incorporated under the name and style of Shilpa Antibiotics Private Limited on 20-11-1987 in the State of Karnataka. Later on the Company was converted into Public Limited Company and got its name changed to Shilpa Antibiotics Limited w.e.f.03-11-1993. Later the Transferee Company had changed its name to Shilpa Medicare Limited and obtained fresh Certificate of Incorporation bearing No.Co.No.08/8739 from Registrar of Companies, Karnataka on 13-12-2002. The present Corporate Identification Number (CIN) of the Company is L85110KA1987PLC008739 (hereinafter referred to as the **"SML / Transferee Company"**).

b) The registered office of the Transferee Company is presently situated at #12-6-214/A1, Hyderabad Road, Raichur, KA- 584135 (hereinafter referred to as the "Transferee Company").

c) The main objects of the Transferee Company as per its Memorandum of Association are as follows:

i) To carry on in India or elsewhere the industry, trade or business of Manufacturers, Traders, Dealers, Agents, Suppliers, Licensors, Licensees, Loan Licenses, Importers, Exporters, Consultants, Discoverers, Inventors, and Producers of Drugs, Bulk Drugs, Pharmaceuticals, Pharmaceutical Formulations, Alcohol, Blended Laboratory Preparations and General Medicinal Preparation and/ or their by-products and packing and re-packings of the above.

ii) To carry on the business of formulating, developing, improving, designing, marketing, selling, franchising, exporting and licensing software and program products of any and all description.

- iii) To provide assistance and service related to the preparation and maintenance of accounting, statistical, scientific or mathematical information and reports, data processing, programming, collecting, storing, processing and transmitting information and data of every kind and description, systems analysis and machine services for solving or aiding commercial, industrial scientific and research problems and for all other related business.

- iv) To establish, set-up, organise maintain, support, assist and/or conduct training classes, and other educational institutions, to organise educational programmes, lectures, seminars, symposium on subjects and in respect of operating computers, computer programming, computer training, computer manufacturing, computer technology, development of hardware and software, state of art of computer technology and to award degrees, diplomas and certificates to trainees, students and other persons and to establish, promote, organise, support and maintain clubs and associations of

students and trainees for further advancing of their knowledge and experience in all or any of the above subjects and topics.

- v) To carry on business of manufacture, purchase, sale or otherwise transfer, lease, import, export, hire, license, use, dispose of, operate, fabricate, construct, distribute, assemble, design, charter, acquire, market, recondition, work upon or otherwise, generally deal in any electronic, electrical product, machine, apparatus, appliance, custom products relating to software, merchandise systems, software procedures, peripheral products, computers tabulators, data processing machines and systems and components thereof, electrical calculators, electric and Electro-mechanical accounting systems, terminal products and systems, machines for registering, data preparation, recording, perforating, tabulating, sorting, printing, typewriting products which possess an internal intelligence for recognising and correlating any type of data or information to be processed, recognition and memory systems.

- vi) To render technical assistance and services including maintenance in connection with the use, purchase, sale, import, export, lease or distribution, license, design, manufacture or any machines, apparatus, appliance, system, component, electronic products and systems and program products.”

 - vii) To carry on the business of manufacturing, generating, supplying, buying and selling of Hydel, Thermal, Co-generation, Bio-generation, Solar Energy, Wind Energy and such other conventional and/or non-conventional energy and for this purpose construct, laydown, establish, fix and carryout all necessary Power station, cables, wires, lines, accumulators lamps and generally supply electricity of all kinds.
- d) The authorized Capital of the Transferee Company as on 31st March, 2020 is 9,50,00,000/- (Rupees Nine Crores and Fifty Lakhs) divided into 9,50,00,000 (Nine Crores and Fifty Lakhs) Equity Shares of Re.1/- (Rupee One) each.

e) The issued, subscribed and paid-up share capital of the transferee Company as on 31st March, 2020 is 8,15,26,898/- (Rupees Eight Crores Fifteen Lakhs Twenty-Six Thousand Eight Hundred and Ninety-Eight Only) divided into 8,15,26,898 (Eight Crores Fifteen Lakhs Twenty-Six Thousand Eight Hundred and Ninety-Eight Only) Equity Shares of Re. 01/- (Rupee One Only) each.

C. RATIONALE, OBJECTIVE & PURPOSE OF THE SCHEME

1.1 The Transferor Company is a wholly owned subsidiary of the Transferee Company. Considering the cost synergies on being a combined entity which would enhance the competitiveness and lead to the growth prospectus in the business operations of the Transferee Company and to ensure to attain the objects more effectively by better performance, accelerated growth and improved profitability, the Board of Directors of the Transferor Company and the Transferee Company have decided to amalgamate the Transferor Company and the Transferee Company, so as to achieve the following benefits:

a) The amalgamation will enable the Transferee Company to consolidate its business, enhance the scale of operations,

pool managerial, technical and financial resources of the Transferor Company and the Transferee Company, and optimally utilise various resources which in turn would enable the Transferee Company to participate more vigorously and profitably in an increasingly competitive and liberalised market and to diversify into high growth and profitable areas of business and achieve operational efficiency, synergy and operational rationalization.

- b) Reduction in overheads including administrative and other expenditure, multiple record-keeping, etc., thus resulting in reduced expenditure and significant reduction in the multiplicity of legal and regulatory compliances required to be carried out by the Transferor Company and the Transferee Company.
- c) The combined entity, with its strong financials and increased net worth, will have greater access to sources of funds, better credit rating and better access to bank credit and working capital resulting in increased competitiveness of the Transferee Company which will ultimately lead to greater productivity and economical operations for future growth of the Transferee Company as well as

strengthening the value of all the stakeholders of the Company.

D. SCOPE OF THE SCHEME

The Scheme of Amalgamation provides for:

- 1.1 Amalgamation of **INM** into **SML**.
- 1.2 Various other matters consequential to or otherwise integrally connected with the above in the manner provided for in the Scheme.
- 1.3 This Scheme of Amalgamation has been drawn up to comply with the conditions as specified under Section 2(1B) of Income Tax Act, 1961, such that:
 - a) All the assets of the Transferor Company, immediately before the amalgamation, shall become the assets of the Transferee Company, by virtue of amalgamation; and
 - b) All the liabilities of the Transferor Company, immediately before the amalgamation, shall become the liabilities of the Transferee Company, by virtue of amalgamation.

- 1.4 Since the Transferee Company is the sole shareholder of the Transferor Company, the shares of the Transferee Company in the Transferor Company will stand cancelled as a result of amalgamation.
- 1.5 If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including those resulting from a retrospective amendment of law or for any other reason whatsoever, the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income-tax Act, 1961. Such modification shall however not affect other parts of the Scheme.

E. PARTS OF THE SCHEME

This Scheme of Amalgamation is explained by dividing it into the following three parts:

Part I: Deals with definitions

Part II: Deals with the amalgamation of the Transferor Company with the Transferee Company.

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

PART I

1. DEFINITIONS

In this Scheme, unless repugnant to the subject or meaning or context thereof, the following expressions shall have the meaning attributed to them as below:

- 1.1 **"Act"** means the Companies Act, 2013 and shall include any statutory modification or re-enactment thereof and references to sections of the Act shall be deemed to mean and include reference to sections enacted in modification or replacement thereof.
- 1.2 **"Amalgamation"** means the merging of **INM** into **SML**.
- 1.3 **"Applicable Law(s)"** means any statute, notification, bye-laws, rules, regulations, guidelines or common law, policy, code, directives, ordinance, schemes, notices, orders or instructions enacted or issued or sanctioned by any Appropriate Authority including any modification or re-enactment thereof for the time being in force.

- 1.4 **"Appointed Date"** means the Date on which this Scheme shall become operative i.e. 01st April, 2020 or such other date as may be approved by Hon'ble National Company Law Tribunal , Bengaluru Bench or such other competent authority having jurisdiction to sanction the Scheme.
- 1.5 **"Board" or "Board of Directors"** in relation to the Transferor Company and the Transferee Company, as the case may be, means the Board of Directors of the respective companies and includes any Committee of Directors or any person authorized by the Board of Directors or such Committee of Directors.
- 1.6 **"Central Government"** means the office of the Regional Director, Ministry of Corporate Affairs, South East Region having its office at 3rd Floor, Corporate Bhawan, Bandlaguda, Nagole, Tattiannaram Village, Hayat Nagar Mandal, Ranga Reddy District, Hyderabad-500 068 in the state of Telangana.
- 1.7 **"Confirmation Order"** means order sanctioning the scheme issued by the Central Government or National Company Law Tribunal (NCLT), as the case may be, under Section 230 read with Section 232 of the Act.

- 1.8 **“Effective Date”** means the Date on which a certified copy of the order of the Hon’ble National Company Law Tribunal , Bengaluru Bench sanctioning this Scheme is filed with the Registrar of Companies, Karnataka by the Transferee Company. Any references in the Scheme to the phrase “upon the Scheme becoming effective” or “effectiveness of the Scheme” or “Scheme coming into effect” shall mean the “Effective Date”.
- 1.9 **“Governmental Authority”** means any applicable Central, State or Local Government, Legislative Body, Regulatory or Administrative Authority, Registrar of Companies, office of the Official Liquidator, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction.
- 1.10 **“Registrar of Companies”** means the Registrar of Companies at Bangalore for the State of Karnataka.
- 1.11 **“Scheme” or “Scheme of Amalgamation”** means this Scheme of Amalgamation in its present form or with any modification(s) in accordance with the provisions hereof, imposed or approved or directed by the Board of Directors of

the Transferor Company and the Transferee Company or by the members or creditors of the Companies involved and /or any other appropriate authority.

1.12 **"Shareholders"** means the persons registered (whether registered owner of the shares or beneficial owner of the shares) as holders of equity shares of concerned Company as the context may require. The word **"Shareholder"** and **"member"** are used to denote the same meaning and are used interchangeably.

1.13 **"Transferor Company"** means INM TECHNOLOGIES PRIVATE LIMITED, a Company incorporated under the provisions of the Companies Act, 1956, bearing CIN: U73100KA2015PTC078494 and having its registered office at 13-E/13, 1st Phase, Kumbalagodu Industrial Area, Mysore Road, Kengeri Hobli, South Bangalore, KA- 560074.

1.14 **"Transferee Company"** means SHILPA MEDICARE LIMITED, a Company incorporated under the provisions of the Companies Act, 1956, bearing CIN: L85110KA1987PLC008739 and having its registered office at #12-6-214/A1, Hyderabad Road, Raichur, KA- 584135.

1.15 **“Tribunal”** or **“NCLT”** means the National Company Law Tribunal at Bengaluru or such other tribunal or authority having jurisdictions to sanction the Scheme.

1.16 **“Undertaking”** shall mean and include:

- a) All the assets and properties, rights, title, benefits, entitlements and business of the Transferor Company as on the Appointed Date.
- b) All the secured and unsecured debts, liabilities including reserves, carry-forward losses, short term or long term contingent liabilities or duties and obligations of the Transferor Company as on the Appointed Date.
- c) Without prejudice to the generality of sub clauses (a) and (b) above, the undertaking shall include the whole of the undertaking of the Transferor Company, as a going concern, all the assets, properties, rights, titles, benefits, obligations and entitlements, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to land and building (whether owned, leased or licensed), all fixed and movable plant and

machinery, vehicles, fixed assets, work-in-progress, current assets, investments, deposits, reserves, provisions, funds, licenses, registrations, certificates, permissions, consents, approvals, concessions (including but not limited to sales tax concessions, excise duty, services tax or customs, value added tax and other incentives of any nature whatsoever), remissions, remedies, subsidies, guarantees, bonds, copyrights, patents, trade names, trademarks, goodwill and other rights and licenses in respect thereof, applications for copyrights, patents, trade names, trademarks, leases, leave and license agreements, tenancy rights, premises, ownership flats, hire purchase, lending arrangements, benefits of security arrangements, computers, insurance policies, office equipment, telephones, telexes, facsimile connections, internet connections, e-mail, communication facilities, website designing equipments, software development equipments and installations and utilities, electricity, water and service connections, environmental clearances, benefits of all agreements, contracts and arrangements, powers, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all rights, title, interest, goodwill, benefit and advantage, benefit of deferred revenue expenditure, provisions, advances, receivables, funds, cash, bank balances, fixed deposits,

accounts and all other rights, all statutory licenses, franchises, approvals, permissions, no-objection certificates, entitlements, subsidies, permits, grants, incentives, tax credits whether granted by state government or central government or any such other authority (including but not limited to credits in respect of income-tax, tax on book profits, value added tax, sales tax, service tax, Goods and Services Tax etc.), balances with all regulatory authorities, software licenses, domain/ websites, etc in connection with/ relating to the Transferor Company and benefits of all contracts / agreements / leases (including, but not limited to, contracts / agreements with vendors, customers, government, etc.) and other claims and powers of whatsoever nature and whosoever, situated, belonging or in the possession of or granted in favour or enjoyed by the Transferor Company, as on the Appointed Date.

- d) All employees engaged in the Transferor Company.
- e) All records, files, papers, information, computer programs, software applications, manuals, data, catalogues, quotations, advertising materials, lists of present and former customers, pricing information and other records, whether in physical form or electronic form of the Transferor Company.

- f) All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as prescribed to them under the Act, Income Tax Act, 1961 and other applicable laws, rules and regulations, as the case may be, including any statutory modification(s), re-enactment(s) or amendment thereof from time to time.

PART II

AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

2. TRANSFER AND VESTING OF UNDERTAKING

2.1 VESTING OF UNDERTAKING

With effect from the Appointed Date and upon the Scheme becoming effective, the entire business and undertaking of the Transferor Company comprising all assets and liabilities of whatsoever nature and wheresoever situated, shall, under the provisions of Section 230 read with Section 232 and all other applicable provisions, if any, of the Companies Act, 2013, without any further act, instrument or deed, be transferred to

and vested in the Transferee Company as a going concern as contemplated by Section 2(1B) of the Income Tax Act, 1961 together with all the rights, titles, interests or obligations of the Transferor Company and subject to the charges existing thereon or on the said assets as on the Appointed Date.

2.2 **TRANSFER OF ASSETS AND LIABILITIES**

2.2.1 All assets movable in nature or incorporeal property or which are otherwise capable of transfer by manual delivery or by endorsement and delivery, including but not limited to computers and R&D equipment, machineries, software, product/ process designs/ technologies, product development rights/ licenses/ registrations/ approvals, websites, portals, inventories, cash in hand of the Transferor Company shall be so transferred, delivered, or endorsed and delivered, as the case may be, to the Transferee Company and shall upon transfer become the property and an integral part of the Transferee Company, without requiring any deed or instrument of conveyance for transfer of the same.

2.2.2 In respect of movables other than those specified above, including outstanding loans and advances, investments (whether current or non-current), trade receivables,

recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons of the Transferor Company, the same shall, without any further act, instrument or deed, be transferred to and stand vested in and /or be deemed to be transferred to and stand vested in the Transferee Company.

2.2.3 With effect from the Appointed Date and upon the Scheme becoming effective, all the properties or assets of the Transferor Company, whether movable or immovable, being transferred pursuant to this Scheme, which are registered and standing in the name of Transferor Company shall be registered in the name of the Transferee Company and the name of the Transferor Company shall be substituted with the name of the Transferee Company in all such certificates of registration, endorsements, records and in revenue/ mutation records in case of immovable properties by such appropriate authorities.

2.2.4 With effect from the Appointed Date and upon the Scheme becoming effective, all the assets relating to the Transferor Company including all debts, liabilities, duties and obligations, including those arising on account of taxation laws and other

allied laws and all the movable and immovable properties, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and/or in the control of or vested in or granted in favour of or enjoyed by the Transferor Company including but without being limited to fixed assets, capital work-in-progress, current assets, debts, receivables, reserves, deposits, provisions, funds, investments, powers, authorities, allotments, approvals, consents, licenses, permissions, registrations and other statutory licenses, contracts, engagements, arrangements, rights, titles, interest, quotas, software, technologies, trade names and other industrial or intellectual property rights of any nature whatsoever and licenses in respect thereof, privileges, liberties, easements, advantages, exemptions, benefits, leases, leasehold rights, tenancy rights, quota rights, permits, authorizations, right to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, power lines, communication lines and other services, benefits of all agreements, various incentives, subsidies, grants, sales-tax, turnover tax, excise and all other interests arising to the Transferor Company and any accretions or additions thereto after the Appointed Date shall without any further act,

instrument or deed be transferred to and vested in and / or be deemed to have been transferred to and vested in the Transferee Company as going concern in the manner provided in this Scheme.

2.2.5 Upon this Scheme becoming effective, all debts, liabilities, duties and obligations of the Transferor Company shall, as on the Appointed Date, whether or not provided in the books of the Transferor Company, and all loans raised and utilized and all liabilities, duties and obligations incurred or undertaken by the Transferor Company on or after the Appointed Date and prior to the effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the effective Date, shall, upon coming into effect of this Scheme, without any further act, instrument or deed be and stand transferred to and vested in the Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or restructuring by virtue of which such secured and/or unsecured debts, liabilities, duties and

obligations have arisen, in order to give effect to the provisions of this sub clause.

2.2.6 Where any such debts, liabilities, duties and obligations of the Transferor Company on the Appointed Date have been discharged by the Transferor Company on or after the Appointed Date and prior to the effective Date, such discharge shall be deemed to be for and on account of the Transferee Company upon the coming into effect of this Scheme.

2.2.7 With effect from the Appointed Date, all loans, advances and other obligations (including any guarantees or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and Transferee Company, shall stand discharged and come to an end and there shall be no liability in that behalf on any party and appropriate effect shall be given in the books of accounts and records of the Transferee Company.

2.2.8 All liabilities and obligations arising out of banking facilities and guarantees executed by the Transferor Company in

favour of third party shall become liability / obligation of the Transferee Company, which it undertakes to meet, discharge and satisfy.

2.2.9 With effect from the Appointed Date and upon the Scheme becoming effective, all statutory licenses, franchises, permissions, approvals or consents, entitlements, sanctions, permits, rights, privileges and licenses including rights arising from contracts, deeds, license instruments and agreements, if any, belonging to the Transferor Company shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company upon the vesting and transfer of the undertaking of the Transferor Company pursuant to this Scheme. The benefit of all statutory and regulatory permissions, factory licenses, environmental approvals and consents, sales tax registrations or other licenses and consents, various incentives, subsidies, special status and other benefits or privileges enjoyed (including credit on account of tax on book profits, sales tax, excise duty, custom duty, service tax, value added tax and other incentives), granted by any government body, local authority or by any other person and availed by the

Transferor Company shall vest in and become available to the Transferee Company pursuant to this Scheme.

2.2.10 All taxes (including, without limitation, income tax, sales tax, excise duty, customs duty, Service tax, VAT, Goods and Services Tax, etc) paid or payable by the Transferor Company in respect of the transactions and/or profits of the undertaking of the Transferor Company before the Appointed Date, shall be on account of the Transferor Company and, in so far as it relates to the tax payment (including, without limitation, Income tax, sales tax, excise duty, customs duty, service tax, VAT, Goods and Services Tax, etc), whether by way of deduction at source, advance tax or howsoever, by Transferor Company in respect of the profits or activities or operations of the undertaking of the Transferor Company with effect from the Appointed Date, shall be deemed to be the corresponding item paid by the Transferee Company, and shall, in any proceedings, be dealt with accordingly.

2.2.11 All tax assessment proceedings / appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and / or enforced until the Effective Date against the Transferor Company and from the

Effective Date, the same shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.

Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company into the Transferee Company or anything contained in the Scheme.

2.2.12 On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Company and realize all monies and complete and enforce all pending contracts and transactions and issue credit notes in respect of the Transferor Company in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this Scheme have been formally given effect to in such contracts and transactions.

2.2.13 For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that

with effect from the Effective Date and till such time that the name of the bank accounts of the Transferor Company would be replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company in the name of the Transferor Company in so far as may be necessary. All cheques and other negotiable instruments, payments orders received or presented for encashment which are in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of the Transferee Company and be credited to the account of the Transferee Company, if presented by the Transferee Company. The Transferee Company shall be allowed to maintain bank accounts in the name of the Transferor Company for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Company.

2.2.14 The Transferee Company may, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds, writings, confirmations or notices with, or in favour of, any other party to any contract or arrangement to which the Transferor Company is party or any writings as may be

necessary to be executed in order to give formal effect to the provisions of the Scheme. The Transferee Company shall, under the provisions of the Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to implement or carry out all such formalities or compliances referred to above for and on behalf of the Transferor Company.

3 MORTGAGES AND CHARGES

3.1 All the existing securities, charges, hypothecation and mortgages over the assets and properties of the Transferee Company or any part thereof which relates to the liabilities and obligations of the Transferee Company prior to the Effective Date where, any reference in any security documents or arrangements, to which the Transferor Company is a party, wherein the assets of the Transferor Company have been or are offered or agreed to be offered as security for any financial assistance or obligations shall continue to relate to only such properties and shall not extend to attach to any of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of this Scheme.

3.2 All the existing securities, mortgages, charges, encumbrances or liens, if any, as on the Appointed Date and created by the Transferor Company after the appointed Date, over the assets comprised in the undertaking or any part thereof transferred to the Transferee Company by virtue of this Scheme and in so far such securities, mortgages, charges, encumbrances or liens secure or relate to liabilities of the Transferor Company, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereto which they are related or attached prior to the Effective Date and are transferred to the Transferee Company.

3.3 It is clarified that unless otherwise determined by the Board of Directors of the Transferee Company, in so far as the borrowings / debts and assets comprising the Transferor Company are concerned:

- a) The security or charge, if any existing or created in future before the effective date, for the loans or borrowings of the Transferor Company shall, without any further act or deed continue to relate to the said assets after the Effective Date; and

- b) The assets of the Transferee Company shall not relate to or be available as security in relation to the said borrowings of the Transferor Company.

4. LEGAL PROCEEDINGS

- 4.1 With effect from the Appointed Date and upon the Scheme becoming effective, all suits, actions and other proceedings including legal and taxation proceedings (including before any statutory or quasi-judicial authority or tribunal) of whatsoever nature by or against the Transferor Company pending and/or arising prior to or after the Appointed Date shall not abate or be discontinued or be prejudicially affected in any way by reason of the Scheme but shall be continued, prosecuted and enforced, as the case may be, by or against the Transferee Company, in the same manner and to the same extent as they would or might have continued, prosecuted and enforced by or against the Transferor Company.
- 4.2 On and from the Effective Date, the Transferee Company undertakes to deal with all legal or other proceedings, initiated by or against the Transferor Company and pending on the Effective Date, transferred to its name and to have

such proceedings continued, prosecuted and enforced by or against the Transferee Company, as the case may be.

- 4.3 In case of any litigations, suits, recovery proceedings which are to be initiated by or to be initiated against the Transferor Company after the Appointed Date, the Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of the Transferee Company.

5. CONTRACT, DEEDS AND OTHER INSTRUMENTS

- 5.1 Upon coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements, insurance policies, leave and license agreements, licenses, engagements, certificates, benefits, privileges, entitlements, grants, sanctions, permissions, consents, approvals, concessions, any Schemes under which the Transferor Company is registered with the government or any other authorities and incentives (including but not limited to benefits under the Income-Tax Act, 1961, service tax, and other laws), remissions, remedies, subsidies, guarantees, licences and other instruments, if any, of whatsoever nature, to which the Transferor Company is party or to the benefit of which the Transferor Company may be

eligible, and which are subsisting or having effect immediately before the Effective Date, shall continue in full force and effect on or against or in favor, as the case may be, of the Transferee Company, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto or thereunder.

5.2 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licences, permissions or approvals or consents required to carry on the operations of the Transferor Company shall stand vested in or transferred to the Transferee Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company. The benefit of all such statutory and regulatory permissions, licences, approvals and consents including statutory licences, approvals, permissions or consents required to carry on the operations of the Transferor Company shall vest in and become available to the Transferee Company pursuant to the Scheme.

5.3 The Transferee Company shall enter into and /or issue and/or execute deeds, writings or confirmations or enter into any

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

6. SAVING OF CONCLUDED TRANSACTIONS

6.1 Subject to the terms of the Scheme, the transfer and vesting of the undertaking of the Transferor Company under Clause 2 above and the continuation of the legal proceedings by or against the Transferee Company under Clause 4 above and the effectiveness of the contracts and deeds under Clause 5 above shall not affect any transactions or proceedings or contracts or deeds already concluded by the Transferor Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intend that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor

Company in respect thereto as done and executed on behalf of itself.

7. STAFF, WORKMEN AND EMPLOYEES OF THE TRANSFEROR COMPANY

7.1 Upon the coming into effect of this Scheme, all staff, workmen and employees of the Transferor Company in service as on the Effective Date, shall become the staff, workmen and employees of the Transferee Company and on the terms and conditions not less favorable than those on which they are engaged by the Transferor Company and without any break or interruption in service as a result of amalgamation of the Transferor Company with the Transferee Company and the terms and conditions of their employment with the Transferee Company shall not be less favourable than those applicable to them with reference to the Transferor Company on the Effective Date.

7.2 It is expressly provided that, in so far as the Gratuity Fund, Provident Fund, if applicable, Employee's State Insurance Corporation Contribution, Labour Welfare Fund or any other Fund created or existing for the benefit of the staff, workmen and employees of the Transferor Company is concerned, upon the Scheme coming into effect, the Transferee Company shall

stand substituted for the Transferor Company for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such fund or funds shall become those of the Transferee Company and all the rights, duties and benefits of the employees of the Transferor Company under such Funds and Trusts shall be protected, subject to the provisions of law for the time being in force. It is clarified that the services of the staff, workmen and employees of the Transferor Company will be treated as having been continuous for the purpose of the said Fund or Funds.

- 7.3 In so far as the Provident Fund, Gratuity Fund, if applicable, or other Special Scheme(s) / Fund(s) created or existing for the benefit of the employees of the Transferor Company are concerned, upon the coming into effect of this Scheme, balances lying in the accounts of the employees of the Transferor Company in the said funds as on the Effective Date shall stand transferred from the respective trusts / funds of

the Transferor Company to the corresponding trusts / funds set up by the Transferee Company.

8. TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE

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

- 8.1 The Transferor 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 Transferee Company and shall account for the same to the Transferee Company.
- 8.2 All liabilities debts, duties, obligations which arise or accrue on or after the Appointed Date shall be deemed to be the debts, liabilities, duties and obligations of the Transferee Company.
- 8.3 The Transferor Company shall carry on its business with reasonable diligence and business prudence and except in the

ordinary course of business, the Transferor Company shall not, without the prior written consent of the Board of Directors of the Transferee Company or pursuant to any pre-existing obligation sell, transfer or otherwise alienate, charge, mortgage, encumber or otherwise deal with, or dispose off, any of the assets of the undertaking of the Transferor Company or any part thereof.

8.4 With effect from the Effective Date, the Transferee Company shall suitably integrate the business being carried on by the Transferor Company into its business.

8.5 All profits or incomes accruing or arising to the Transferor Company and losses or expenditure arising or incurred by the Transferor Company (including but not limited to advance tax, tax deducted at source, Minimum Alternate Tax credit, 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 Transferee Company and shall be available to the Transferee Company for being disposed off in any manner as it thinks fit.

- 8.6 Any of the rights, powers, authorities or privileges exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly any of the obligations, duties and commitments that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken or discharged for and on behalf of and as an agent for the Transferee Company.
- 8.7 The Transferee Company shall also be entitled, pending the sanction of the Scheme, to apply to any Government authority, if required, under any law for such consents and approvals which the Transferee Company may require to carry on the business of the Transferor Company;
- 8.8 The Transferee Company shall not make any modification to their capital structure either by an increase (by issue of right shares, bonus shares, convertible debentures or otherwise), decrease, reclassification, sub-division or re-organization or in any other manner, whatsoever, except by mutual consent of the Board of Directors of the Transferor Company and the Transferee Company.

8.9 It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent / approval also to the ancillary and incidental alterations, if any, to be carried out to the Memorandum of Association of the Company as may be required under the Act and there would be no further requirement of obtaining the members' approval for such alterations arising pursuant to the sanctioned Scheme.

9. CONSIDERATION

9.1 Since the Transferor Company is a wholly owned subsidiary of the Transferee Company, upon the Scheme being effective, in consideration of the transfer and vesting of the assets and liabilities of the Transferor Company in terms of the Scheme, no shares will be issued / allotted under the Scheme by the Transferee Company to any person. All the Equity shares issued by the Transferor Company and held by the Transferee Company and its nominees in the Transferor Company shall stand cancelled and extinguished.

- 9.2 All the Preference Shares issued by the Transferor Company and held by Transferee Company including the accumulated dividend thereon shall stand cancelled and extinguished.
- 9.2 The investments of Transferee Company in the Equity and Preference shares of the Transferor Company including the accumulated dividend on the Preference Shares, as appearing on the Asset side of the Balance Sheet of Transferee Company, without any further act or deed, stand cancelled.
- 9.3 On completion of the Scheme, all equity shares of the Transferor Company held by Transferee Company, shall stand cancelled and the share certificates held by the Transferee Company, shall be destroyed.

10. MERGER AND RECLASSIFICATION OF AUTHORIZED SHARE CAPITAL OF THE TRANSFEROR COMPANY INTO THE TRANSFEEE COMPANY

- 10.1 As an integral part of the Scheme and upon coming into effect of this Scheme and upon the transfer and vesting of the Transferor Company into Transferee Company, the entire Authorized Share Capital of the Transferor Company amounting to Rs.45,00,00,000/- (Rupees Forty-Five Crores)

divided into 15,00,000 (Fifteen Lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each and 4,35,00,000 (Four Crores Thirty-Five Lakhs) Preference Shares of Rs.10/- (Rupees Ten) shall stand merged with the Authorized Share Capital of the Transferee Company.

10.2 Accordingly, upon this Scheme becoming effective, the authorized share capital of the Transferee Company in terms of its Memorandum of Association shall automatically stand increased to Rs.54,50,00,000/- (Rupees Fifty Four Crore Fifty Lakhs) divided into 54,50,00,000/- (Fifty Four Crore Fifty Lakhs) Equity shares of Re.1/- (One) each without any further act, instrument or deed on the part of the Transferee Company, including payment of stamp duty and fees payable to the Registrar of Companies, Telangana.

10.3 The Memorandum of Association and Articles of Association of the Transferee Company shall stand altered, modified and amended and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purpose of effecting this amendment for increase, and no further resolutions under Sections 13, 61 and 64 or any other applicable provisions under the Companies Act, 2013 would be required to be separately passed. For this purpose, the fee and stamp duty

already paid by the Transferor Company on its Authorized share capital shall be utilized and applied to the increased Authorized share capital of the Transferee Company and shall be deemed to have been so paid by the Transferee Company on such combined Authorized Share capital and accordingly, the Transferee Company shall not be required to pay any fees/ stamp duty on the Authorized share capital so increased.

- 10.4 Pursuant to this Scheme coming into effect, the Transferee Company shall file requisite forms with the Registrar of Companies for alteration of its authorized share capital.
- 10.5 It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent / approval also to the Memorandum of Association and Articles of Association of the Transferee Company as may be required under the Act and Clause V of the Memorandum of Association of the Transferee Company shall stand altered accordingly.
- 10.6 Clause V of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed be altered and amended pursuant to Section 61 or any other

applicable provisions under the Companies Act, 2013 as under:

- V. The Authorized share capital of the Company is Rs. 54,50,00,000/- (Rupees Fifty Four Crore Fifty Lakhs) divided into 54,50,00,000/- (Rupees Fifty Four Crore Fifty Lakhs) Equity shares of Re.1/- (One) each.

11. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY

11.1 Upon this Scheme becoming effective, the Transferee Company shall follow the accounting prescribed under Indian Accounting Standard 103 and other applicable Indian Accounting Standards, as applicable from time to time, as specified hereunder:

- i. All the assets and liabilities including reserves recorded in the books of the Transferor Company shall stand transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at their existing carrying amount as appearing in the books of

Transferor Company and account for the amalgamation of the Transferor Company pursuant to this Scheme in accordance with Indian Accounting Standard 103, as amended from time to time.

- ii. The reserves/ losses of the Transferor Company shall appear in the financial statements of the Transferee Company in the same form in which they appeared in the financial statements of the Transferor Company.
- iii. The balance in the Statement of Profit and Loss appearing in the financial statements of Transferor Company shall be aggregated with the corresponding balance appearing in the financial statements of the Transferee Company.
- iv. Inter-corporate deposits / loans and advances, if any, outstanding between the Transferee Company and the Transferor Company inter-se shall stand cancelled and there shall be no further obligation / outstanding in that behalf. Any difference arising on such cancellation should be adjusted in the reserves of the Transferee Company.

- v. The amount of share capital of the Transferor Company and investment held by the Transferee Company in the Transferor Company shall be adjusted against each other.
- vi. The excess or deficit, if any, arising after recording the above entries, shall be adjusted against Capital Reserve Account in the books of the Transferee Company.
- viii. Notwithstanding the above, the Transferee Company in consultation with its Auditors, is authorized to account for any of these balances in any manner, whatsoever it considered appropriate.

12. TAX CREDITS, REFUNDS AND ADJUSTMENTS

- 12.1 Notwithstanding anything to the contrary contained in the provisions of this Scheme, the Transferee Company shall be entitled to carry forward, avail of, or set-off any unabsorbed tax losses, tax depreciation, credits for Minimum Alternate Tax and Input Tax Credit of the Transferor Company that remains unutilized as on the Effective Date.

12.2 Upon the Scheme becoming effective, the Transferee Company shall be entitled to claim refunds or credits, including Input Tax credits, with respect to taxes paid by, for or on behalf of the Transferor Company under applicable laws, including but not limited to Income Tax, Sales Tax, Value Added Tax, Entry Tax, Central Sales Tax, Service Tax, CENVAT or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed. Any Input Tax Credits already availed or utilized by the Transferor Company and the Transferee Company in respect of inter se transactions shall not be adversely impacted by the cancellation of inter se transactions pursuant to this Scheme.

12.3 Upon the Scheme becoming effective, any Advance Tax, Self-Assessment Tax, Minimum Alternate Tax and/or TDS / TCS credit available with the Transferor Company, including any taxes paid and taxes deducted at source and deposited by the Transferor Company on inter se transactions between the Appointed Date and the Effective Date shall be treated as Advance Tax paid by the Transferee Company and shall be available to the Transferee Company for set-off against its liability under the Income Tax and any excess tax so paid shall be eligible for refund together with interest. Any TDS

certificates issued by the Transferee Company to, or for the benefit of, the Transferor Company under the Income Tax with respect to inter se transactions would stand cancelled and be treated as null and void without any further act on the part of the Transferor Company and the Transferee Company. Further, TDS/TCS deposited, TDS certificates issued or TDS returns filed by the Transferor Company other than inter se transactions between the Appointed Date and the Effective Date shall continue to hold good as if such TDS/TCS amounts were deposited, TDS certificates were issued or TD/TCS returns were filed by the Transferee Company. Any TDS deducted by the Transferee Company on inter se transactions with the Transferor Company will be treated as Advance Tax deposited by the Transferee Company.

- 12.4 Upon the Scheme becoming effective, any Service Tax, VAT, Excise duty, Central Sales Tax, Entry Tax or any other tax charged by, for, or on behalf of the Transferor Company on inter se transactions and on which CENVAT credit or any input tax credit is not available or has not been claimed by the Transferor Company, shall be treated as aforesaid taxes paid by the Transferee Company.

12.5 The Transferee Company is expressly permitted to file or revise its Income Tax, TDS/TCS, Service Tax, VAT, Excise, Entry Tax, Professional Tax or any other returns, statements, documents, upon the Scheme becoming effective, and where necessary to give effect to the Scheme, even if the prescribed time limits for filing or revising such returns have lapsed. The Transferee Company is expressly permitted to amend, if required, its TDS/TCS or other statutory certificates and shall have the right to claim refunds, tax credits, set-offs and/or adjustments relating to its income or transactions entered into by it with effect from the Appointed Date. The taxes or duties paid by, for, on behalf of the Transferor Company relating to the period on or after the Appointed Date shall be deemed to be the taxes or duties paid by the Transferee Company and the Transferee Company shall be entitled to claim credit or refund for such taxes or duties paid.

12.6 Any refund under the Income-tax Act, 1961, Wealth-tax Act, 1957, service tax laws or other applicable laws / regulations dealing with taxes/ duties / levies tax due to Transferor Company consequent to the assessment made on Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.

- 12.7 Any tax liabilities under the Income-tax Act, 1961, service tax laws, customs law or other applicable laws/ regulations dealing with taxes/ duties / levies of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date, if any, shall be transferred to Transferee Company.
- 12.8 Obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company under the Income-tax Act, 1961, service tax laws, or other applicable laws / regulations dealing with taxes/ duties / levies shall be made or deemed to have been made and duly complied with by the Transferee Company.

PART III

GENERAL TERMS AND CONDITIONS APPLICABLE TO THIS SCHEME

13. OPERATIVE DATE OF THE SCHEME

The Scheme set out herein in its present form or any modifications approved or directed by the Board of Directors of the Transferor Company and the Transferee Company or by the members or creditors of the Companies involved or by the Hon'ble National Company Law Tribunal , Bengaluru Bench or any other appropriate authority, unless otherwise specified in the Scheme, shall be operative from the Appointed Date i.e. 01.04.2020 but shall be effective from the Effective Date.

14. IMPACT OF THE SCHEME ON CREDITORS

This Scheme of Amalgamation, if approved by the Hon'ble National Company Law Tribunal , Bengaluru Bench or any other appropriate authority, shall not have any adverse impact on the Creditors whether secured or unsecured, of the Transferor Company and the Transferee Company.

15. DISSOLUTION OF THE TRANSFEROR COMPANY

Upon the coming into effect of the Scheme, the Transferor Company shall, without any further act or deed shall stand dissolved without going through the process of winding up as per the provisions of the Act and the Rules made thereunder.

16. APPLICATION TO THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL , BENGALURU BENCH

The Transferor Company and the Transferee Company with all reasonable diligence hereto shall make necessary applications, affidavits, petitions, etc before the Hon'ble National Company Law Tribunal, Bengaluru Bench or any other competent authority having jurisdiction over the Scheme, as the case may be, for obtaining sanction to this Scheme of Amalgamation under Section 230 read with Section 232 of the Companies Act, 2013 and for dissolution of the Transferor Company without winding up under the provisions of law.

17. MODIFICATIONS/AMENDMENTS TO THE SCHEME

17.1 The Transferor Company (by its Directors) and the Transferee Company (by its Directors):

- (i) may assent to any modification or amendment to the Scheme or of any conditions or limitations which any appropriate authorities under law may deem fit to direct or impose;

- (ii) may give such directions and / or may assent to any modification or amendment which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and / or carrying out the Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation thereof;
- (iii) may do all acts, deeds, matters and things as may be necessary, desirable or expedient for giving effect to the Scheme, and the aforesaid modifications, amendments and terms and conditions or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect;
- (iv) may also in their full and absolute discretions, withdraw or abandon the Scheme at any stage of the proceedings.

18. CONDITIONALITY OF SCHEME

The Scheme is conditional upon and subject to the following:

- 18.1 The Scheme being agreed to by the requisite majority of the Shareholders and Creditors of the Transferor Company as required under the Act.
- 18.2 The Scheme being agreed to by the requisite majority of the Shareholders and Creditors of the Transferee Company as required under the Act.
- 18.3 The Scheme being sanctioned by the Hon'ble National Company Law Tribunal , Bengaluru Bench or such other competent authority under Section 230 read with Section 232 and other applicable provisions of the Companies Act, 2013.
- 18.4 The Certified copy of the order sanctioning the Scheme being filed with the Registrar of Companies, Karnataka.

19. EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the said sanctions and approvals referred above not being obtained and/ or complied with and/

or satisfied (unless otherwise decided by the Board of Directors) and/ or this Scheme not being sanctioned by the Hon'ble National Company Law Tribunal , Bengaluru Bench or such other competent authority under the applicable provisions of the Act, as may be applicable, and/or the order not being passed as aforesaid before 31st March, 2022 or within such further period as may be agreed upon by the Transferor Company and the Transferee Company, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto, as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the applicable law. Each party shall bear its respective costs, charges and expenses in connection with the Scheme unless otherwise mutually agreed.

20. RESOLUTIONS

Upon coming into effect of the Scheme, the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date be considered as resolutions of the Transferee Company and any approvals obtained by

Transferor Company from its shareholders under the provisions of Section 180, Section 185, Section 186, Section 188 and other provisions of the Act and which are valid and subsisting on the Effective Date, shall continue to be valid and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, of like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

21. SEVERABILITY

If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Company and Transferee Company, affect the validity or implementation of the other parts and / or provisions of this Scheme.

22. EXPENSES CONNECTED WITH THE SCHEME

Subject to the provisions of the Scheme, all costs, charges and expenses (including, but not limited to, any taxes and duties, stamp duty, registration charges, etc) of/payable by the Transferor Company and the Transferee Company respectively in relation to or in connection with this Scheme and incidental to the completion of the amalgamation of the Transferor Company with the Transferee Company shall, except as specifically provided herein, be borne and paid by the Transferee Company.



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Shilpa Medicare Limited

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CIN: L85110KA1987PLC008739

ANNEXURE - II

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF SHILPA MEDICARE LIMITED HELD ON 09TH SEPTEMBER, 2020 AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT 12-6-214/A-1, SHILPA HOUSE, HYDERABAD ROAD, RAICHUR - 584135, KARNATAKA AT 12:30 HOURS.

Proposal for merger of INM Technologies Private Limited with the Company

A proposal for merger of INM Technologies Private Limited (Wholly owned Subsidiary Company) with the Shilpa Medicare Limited (Holding Company), was placed before the Board of Directors. Further, the Board was informed that the Appointed date of the proposed merger is 1st April, 2020. Members reviewed the draft scheme of merger, financial and various implications and cost synergies/ other benefits due to the proposed merger.

After some discussions, chairman referred to the draft scheme of Amalgamation of M/s INM Technologies Private Limited with M/s Shilpa Medicare Limited.

The Board of Directors noted that for more economic and efficient R&D Operations and the cost synergies on being a combined entity which would enhance the competitiveness and lead to the growth business prospects in the production operations and to ensure to attain the objects more effectively by better performance, accelerated growth and improved profitability, the Board of Directors of the Transferor Company and the Transferee Company have decided to amalgamate M/s INM Technologies Private Limited with M/s Shilpa Medicare Limited under the Scheme of Amalgamation. The Board further noted that the amalgamation would enable the Transferee Company to utilize the new R&D Technologies to achieve economies of scale and other benefits which would be beneficial for both the Companies, their shareholders and all concerned. The Board considered the matter in detail and was of the view that the proposal should be adopted and implemented with necessary approvals.

After discussions the following resolution was passed.

"RESOLVED THAT pursuant to the provisions of Chapter XV (Compromises Arrangements and Amalgamations) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of the members and Central Government OR Hon'ble National Company Law Tribunal (if required) and subject to such other approvals,



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permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Central Government OR Hon'ble National Company Law Tribunal (If required) or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this Resolution), the proposed amalgamation embodied in the scheme of amalgamation of INM Technologies Private Limited with Shilpa Medicare Limited and their respective shareholders and creditors if any required ("Scheme") placed before this meeting and initialed by the Chairman of the meeting for the purpose of identification, be and is hereby approved."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the amalgamation embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon'ble National Company Law Tribunal at Karnataka while sanctioning the amalgamation embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper."

"FURTHER RESOLVED THAT Mr. Vishnukant Bhutada Chaturbhuj, Managing Director [DIN 01243391) and Mr. Omprakash Inani, (Director DIN- 01301385) be and are hereby jointly and severally authorized to take all necessary steps in the matter that may be required for obtaining the requisite consent and confirmation to the said Scheme from shareholders, Tribunal, Authorities of Company Affairs, Regional Director, South East Region and other Statutory Authorities, Lenders and to make and agree to all alterations in the said Scheme as may be suggested by the Board, shareholders or the Tribunal or the Government or other statutory bodies if any and to sign all applications and petitions as may be required to be filed in the Tribunals and other statutory bodies and to do all acts, deeds and things concerning the same to give full effect and to implement the said Scheme of amalgamation."

"FURTHER THAT Mr. Vishnukant Chaturbhuj Bhutada, Managing Director (DIN 01243391) and Mr. Omprakash Inanni, (Director DIN-01301385) be and are





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CIN: L85110KA1987PLC008739

hereby jointly and severally authorized to appoint advisors, advocates and other consultants be appointed to obtain/file necessary reports, applications, petitions, affidavits, undertakings etc. as may be required with respective Tribunal and to undertake appropriate proceedings in the matter and to also do the needful for and on behalf of the Company in relation to the above-said amalgamation."

// CERTIFIED TRUE COPY//

**For and on behalf of Board of Directors of
SHILPA MEDICARE LIMITED**



**OMPRAKASH INANI
DIRECTOR
DIN: 01301385**

SCHEME OF AMALGAMATION

BETWEEN

SHILPA MEDICARE LIMITED

(TRANSFEREE COMPANY)

AND

INM TECHNOLOGIES PRIVATE LIMITED

(TRANSFEROR COMPANY)

**AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
(UNDER SECTION 230 READ WITH SECTION 232 OF THE
COMPANIES ACT, 2013)**

PREAMBLE

A. PREAMBLE OF THE SCHEME

This Scheme of Amalgamation is presented under Section 230 read with Section 232 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder including any statutory modifications or re-enactments thereof, if any, and provides for the Amalgamation of **INM TECHNOLOGIES PRIVATE LIMITED** (hereinafter referred to as "**INM/ Transferor Company**") with **SHILPA MEDICARE LIMITED** (hereinafter referred to as "**SML/ Transferee**



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Company") on a going concern basis and the consequent cancellation of equity shares held by the Transferee Company in the Transferor Company and the dissolution of the Transferor Company without winding up.

The Scheme also provides for various other matters consequential to or otherwise integrally connected with the above in the manner provided for in this Scheme.

B. DESCRIPTION OF THE COMPANIES

1.1 INM TECHNOLOGIES PRIVATE LIMITED (TRANSFEROR COMPANY)

a) INM TECHNOLOGIES PRIVATE LIMITED, is a private limited company incorporated on 23/01/2015 (Twenty-Third Day of January, Two Thousand and Fifteen) in the State of Karnataka. The present Corporate Identification Number (CIN) of the Company is U73100KA2015PTC078494. (hereinafter referred to as the **"INM /Transferor Company"**).

b) The registered office of the Transferor Company is presently situated at 13-E/13, 1st Phase, Kumbalagodu Industrial Area, Mysore Road, Kengeri Hobli, South Bangalore, KA- 560074.

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c) The main object of the Transferor Company Company as per the Memorandum of Association is "To carry out the business of manufacture, nano-research for Advanced Materials & Technologies, consulting and offering services and innovative products in the area of Nanotechnology, Material Science and Engineering and service in Advanced Technology and Product Development, establishment of centralised facility for all deposition, characterization and testing techniques, analytical service on nano and micro structured materials to various industrial sectors and to develop and integrate nanostructured materials in the products of customers of various industrial sectors including Pharmaceuticals, Biotech, Chemical, Food, Aviation, Defence, Building/ Construction, Bio-medical, Optics, Energy, Textiles, Nutraceuticals, Microelectronics, Photonics, Telecommunications, Agricultural, Mechatronics and Nanoelectronics and to impart need-based training/ course work in different areas of Nanoscience, Nanotechnology and Environment to train public, students, NGOs and



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Government functionaries, certificate course for the benefit of different students with background of all branches of Engineering, Pharmacy, Medicine, and Science. To develop research programs and forward-looking technologies to meet industrial needs and strengthen industrial competitiveness at national and international level. To participate in National and International research programs funded by various government and non-government agencies."

d) The Authorized Capital of the Transferor Company as on 31st March, 2020 is 45,00,00,000/- (Rupees Forty-Five Crores) divided into 15,00,000 (Fifteen Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each and 4,35,00,000 (Four Crores Thirty-Five Lakhs) Preference Shares of Rs. 10/- (Rupees Ten) each.

e) The issued, subscribed and paid-up share capital of the Transferor Company as on 31st March, 2020 is Rs. 43,96,76,700/- (Rupees Forty-Three Crores Ninety-Six Lakhs Seventy-Six Thousand and Seven Hundred) divided into 15,00,000 (Fifteen Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each and 4,24,67,670 (Four Crore



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Twenty-Four Lakhs Sixty-Seven Thousand Six Hundred and Seventy Only) of Rs. 10/- each.

- f) All the Equity Shares and Preference Shares of the Transferor Company as above are held by the Transferee Company and its nominee. Accordingly, the Transferor Company is a wholly owned subsidiary of the Transferee Company.

1.2 SHILPA MEDICARE LIMITED (TRANSFEREE COMPANY)

- a) SHILPA MEDICARE LIMITED is a listed public company was originally incorporated under the name and style of Shilpa Antibiotics Private Limited on 20-11-1987 in the State of Karnataka. Later on the Company was converted into Public Limited Company and got its name changed to Shilpa Antibiotics Limited w.e.f.03-11-1993. Later the Transferee Company had changed its name to Shilpa Medicare Limited and obtained fresh Certificate of Incorporation bearing No.Co.No.08/8739 from Registrar of Companies, Karnataka on 13-12-2002. The present Corporate Identification Number (CIN) of the Company is L85110KA1987PLC008739 (hereinafter referred to as the "SML / Transferee Company").



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b) The registered office of the Transferee Company is presently situated at #12-6-214/A1, Hyderabad Road, Raichur, KA- 584135 (hereinafter referred to as the "Transferee Company").

c) The main objects of the Transferee Company as per its Memorandum of Association are as follows:

i) To carry on in India or elsewhere the industry, trade or business of Manufacturers, Traders, Dealers, Agents, Suppliers, Licensors, Licensees, Loan Licenses, Importers, Exporters, Consultants, Discoverers, Inventors, and Producers of Drugs, Bulk Drugs, Pharmaceuticals, Pharmaceutical Formulations, Alcohol, Blended Laboratory Preparations and General Medicinal Preparation and/ or their by-products and packing and re-packings of the above.

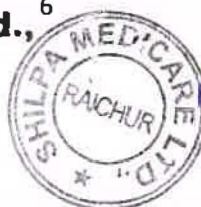
ii) To carry on the business of formulating, developing, improving, designing, marketing, selling, franchising, exporting and licensing software and program products of any and all description.



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iii) To provide assistance and service related to the preparation and maintenance of accounting, statistical, scientific or mathematical information and reports, data processing, programming, collecting, storing, processing and transmitting information and data of every kind and description, systems analysis and machine services for solving or aiding commercial, industrial scientific and research problems and for all other related business.

iv) To establish, set-up, organise maintain, support, assist and/or conduct training classes, and other educational institutions, to organise educational programmes, lectures, seminars, symposium on subjects and in respect of operating computers, computer programming, computer training, computer manufacturing, computer technology, development of hardware and software, state of art of computer technology and to award degrees, diplomas and certificates to trainees, students and other persons and to establish, promote, organise, support and maintain clubs and associations of

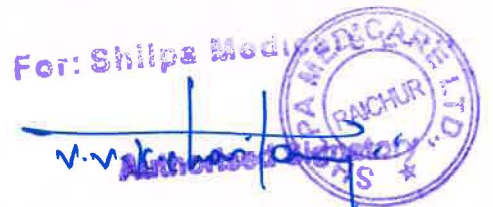


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students and trainees for further advancing of their knowledge and experience in all or any of the above subjects and topics.

- v) To carry on business of manufacture, purchase, sale or otherwise transfer, lease, import, export, hire, license, use, dispose of, operate, fabricate, construct, distribute, assemble, design, charter, acquire, market, recondition, work upon or otherwise, generally deal in any electronic, electrical product, machine, apparatus, appliance, custom products relating to software, merchandise systems, software procedures, peripheral products, computers tabulators, data processing machines and systems and components thereof, electrical calculators, electric and Electro-mechanical accounting systems, terminal products and systems, machines for registering, data preparation, recording, perforating, tabulating, sorting, printing, typewriting products which possess an internal intelligence for recognising and correlating any type of data or information to be processed, recognition and memory systems.

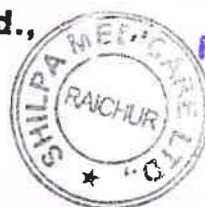


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vi) To render technical assistance and services including maintenance in connection with the use, purchase, sale, import, export, lease or distribution, license, design, manufacture or any machines, apparatus, appliance, system, component, electronic products and systems and program products."

vii) To carry on the business of manufacturing, generating, supplying, buying and selling of Hydel, Thermal, Co-generation, Bio-generation, Solar Energy, Wind Energy and such other conventional and/or non-conventional energy and for this purpose construct, laydown, establish, fix and carryout all necessary Power station, cables, wires, lines, accumulators lamps and generally supply electricity of all kinds.



d) The authorized Capital of the Transferee Company as on 31st March, 2020 is 9,50,00,000/- (Rupees Nine Crores and Fifty Lakhs) divided into 9,50,00,000 (Nine Crores and Fifty Lakhs) Equity Shares of Re.1/- (Rupee One) each.

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e) The issued, subscribed and paid-up share capital of the transferee Company as on 31st March, 2020 is 8,15,26,898/- (Rupees Eight Crores Fifteen Lakhs Twenty-Six Thousand Eight Hundred and Ninety-Eight Only) divided into 8,15,26,898 (Eight Crores Fifteen Lakhs Twenty-Six Thousand Eight Hundred and Ninety-Eight Only) Equity Shares of Re. 01/- (Rupee One Only) each.

C. RATIONALE, OBJECTIVE & PURPOSE OF THE SCHEME

1.1 The Transferor Company is a wholly owned subsidiary of the Transferee Company. Considering the cost synergies on being a combined entity which would enhance the competitiveness and lead to the growth prospectus in the business operations of the Transferee Company and to ensure to attain the objects more effectively by better performance, accelerated growth and improved profitability, the Board of Directors of the Transferor Company and the Transferee Company have decided to amalgamate the Transferor Company and the Transferee Company, so as to achieve the following benefits:

a) The amalgamation will enable the Transferee Company to consolidate its business, enhance the scale of operations,



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pool managerial, technical and financial resources of the Transferor Company and the Transferee Company, and optimally utilise various resources which in turn would enable the Transferee Company to participate more vigorously and profitably in an increasingly competitive and liberalised market and to diversify into high growth and profitable areas of business and achieve operational efficiency, synergy and operational rationalization.

b) Reduction in overheads including administrative and other expenditure, multiple record-keeping, etc., thus resulting in reduced expenditure and significant reduction in the multiplicity of legal and regulatory compliances required to be carried out by the Transferor Company and the Transferee Company.



c) The combined entity, with its strong financials and increased net worth, will have greater access to sources of funds, better credit rating and better access to bank credit and working capital resulting in increased competitiveness of the Transferee Company which will ultimately lead to greater productivity and economical operations for future growth of the Transferee Company as well as

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strengthening the value of all the stakeholders of the Company.

D. SCOPE OF THE SCHEME

The Scheme of Amalgamation provides for:

- 1.1 Amalgamation of **INM** into **SML**.
- 1.2. Various other matters consequential to or otherwise integrally connected with the above in the manner provided for in the Scheme.
- 1.3 This Scheme of Amalgamation has been drawn up to comply with the conditions as specified under Section 2(1B) of Income Tax Act, 1961, such that:

- a) All the assets of the Transferor Company, immediately before the amalgamation, shall become the assets of the Transferee Company, by virtue of amalgamation; and
- b) All the liabilities of the Transferor Company, immediately before the amalgamation, shall become the liabilities of the Transferee Company, by virtue of amalgamation.



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- 1.4 Since the Transferee Company is the sole shareholder of the Transferor Company, the shares of the Transferee Company in the Transferor Company will stand cancelled as a result of amalgamation.
- 1.5 If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including those resulting from a retrospective amendment of law or for any other reason whatsoever, the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income-tax Act, 1961. Such modification shall however not affect other parts of the Scheme.

E. PARTS OF THE SCHEME



This Scheme of Amalgamation is explained by dividing it into the following three parts:

Part I: Deals with definitions

Part II: Deals with the amalgamation of the Transferor Company with the Transferee Company.

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

PART I

1. DEFINITIONS

In this Scheme, unless repugnant to the subject or meaning or context thereof, the following expressions shall have the meaning attributed to them as below:

1.1 **"Act"** means the Companies Act, 2013 and shall include any statutory modification or re-enactment thereof and references to sections of the Act shall be deemed to mean and include reference to sections enacted in modification or replacement thereof.

1.2 **"Amalgamation"** means the merging of **INM** into **SML**.

1.3 **"Applicable Law(s)"** means any statute, notification, bye-laws, rules, regulations, guidelines or common law, policy, code, directives, ordinance, schemes, notices, orders or instructions enacted or issued or sanctioned by any Appropriate Authority including any modification or re-enactment thereof for the time being in force.



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1.4 **"Appointed Date"** means the Date on which this Scheme shall become operative i.e. 01st April, 2020 or such other date as may be approved by Hon'ble National Company Law Tribunal , Bengaluru Bench or such other competent authority having jurisdiction to sanction the Scheme.

1.5 **"Board" or "Board of Directors"** in relation to the Transferor Company and the Transferee Company, as the case may be, means the Board of Directors of the respective companies and includes any Committee of Directors or any person authorized by the Board of Directors or such Committee of Directors.

1.6 **"Central Government"** means the office of the Regional Director, Ministry of Corporate Affairs, South East Region having its office at 3rd Floor, Corporate Bhawan, Bandlaguda, Nagole, Tattiannaram Village, Hayat Nagar Mandal, Ranga Reddy District, Hyderabad-500 068 in the state of Telangana.

1.7 **"Confirmation Order"** means order sanctioning the scheme issued by the Central Government or National Company Law

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1.8 **"Effective Date"** means the Date on which a certified copy of the order of the Hon'ble National Company Law Tribunal , Bengaluru Bench sanctioning this Scheme is filed with the Registrar of Companies, Karnataka by the Transferee Company. Any references in the Scheme to the phrase "upon the Scheme becoming effective" or "effectiveness of the Scheme" or "Scheme coming into effect" shall mean the "Effective Date".

1.9 **"Governmental Authority"** means any applicable Central, State or Local Government, Legislative Body, Regulatory or Administrative Authority, Registrar of Companies, office of the Official Liquidator, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction.

1.10 **"Registrar of Companies"** means the Registrar of Companies at Bangalore for the State of Karnataka.

1.11 **"Scheme" or "Scheme of Amalgamation"** means this Scheme of Amalgamation in its present form or with any modification(s) in accordance with the provisions hereof, imposed or approved or directed by the Board of Directors of



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the Transferor Company and the Transferee Company or by the members or creditors of the Companies involved and /or any other appropriate authority.

1.12 **"Shareholders"** means the persons registered (whether registered owner of the shares or beneficial owner of the shares) as holders of equity shares of concerned Company as the context may require. The word **"Shareholder"** and **"member"** are used to denote the same meaning and are used interchangeably.

1.13 **"Transferor Company"** means INM TECHNOLOGIES PRIVATE LIMITED, a Company incorporated under the provisions of the Companies Act, 1956, bearing CIN: U73100KA2015PTC078494 and having its registered office at 13-E/13, 1st Phase, Kumbalagodu Industrial Area, Mysore Road, Kengeri Hobli, South Bangalore, KA- 560074.



1.14 **"Transferee Company"** means SHILPA MEDICARE LIMITED, a Company incorporated under the provisions of the Companies Act, 1956, bearing CIN: L85110KA1987PLC008739 and having its registered office at #12-6-214/A1, Hyderabad Road, Raichur, KA- 584135.

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1.15 **"Tribunal"** or **"NCLT"** means the National Company Law Tribunal at Bengaluru or such other tribunal or authority having jurisdictions to sanction the Scheme.

1.16 **"Undertaking"** shall mean and include:

a) All the assets and properties, rights, title, benefits, entitlements and business of the Transferor Company as on the Appointed Date.

b) All the secured and unsecured debts, liabilities including reserves, carry-forward losses, short term or long term contingent liabilities or duties and obligations of the Transferor Company as on the Appointed Date.



c) Without prejudice to the generality of sub clauses (a) and (b) above, the undertaking shall include the whole of the undertaking of the Transferor Company, as a going concern, all the assets, properties, rights, titles, benefits, obligations and entitlements, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to land and building (whether owned, leased or licensed), all fixed and movable plant and

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machinery, vehicles, fixed assets, work-in-progress, current assets, investments, deposits, reserves, provisions, funds, licenses, registrations, certificates, permissions, consents, approvals, concessions (including but not limited to sales tax concessions, excise duty, services tax or customs, value added tax and other incentives of any nature whatsoever), remissions, remedies, subsidies, guarantees, bonds, copyrights, patents, trade names, trademarks, goodwill and other rights and licenses in respect thereof, applications for copyrights, patents, trade names, trademarks, leases, leave and license agreements, tenancy rights, premises, ownership flats, hire purchase, lending arrangements, benefits of security arrangements, computers, insurance policies, office equipment, telephones, telexes, facsimile connections, internet connections, e-mail, communication facilities, website designing equipments, software development equipments and installations and utilities, electricity, water and service connections, environmental clearances, benefits of all agreements, contracts and arrangements, powers, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all rights, title, interest, goodwill, benefit and advantage, benefit of deferred revenue expenditure, provisions, advances, receivables, funds, cash, bank balances, fixed deposits,



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accounts and all other rights, all statutory licenses, franchises, approvals, permissions, no-objection certificates, entitlements, subsidies, permits, grants, incentives, tax credits whether granted by state government or central government or any such other authority (including but not limited to credits in respect of income-tax, tax on book profits, value added tax, sales tax, service tax, Goods and Services Tax etc.), balances with all regulatory authorities, software licenses, domain/ websites, etc in connection with/ relating to the Transferor Company and benefits of all contracts / agreements / leases (including, but not limited to, contracts / agreements with vendors, customers, government, etc.) and other claims and powers of whatsoever nature and whosoever, situated, belonging or in the possession of or granted in favour or enjoyed by the Transferor Company, as on the Appointed Date.



d) All employees engaged in the Transferor Company.

e) All records, files, papers, information, computer programs, software applications, manuals, data, catalogues, quotations, advertising materials, lists of present and former customers, pricing information and other records, whether in physical form or electronic form of the Transferor Company.

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- f) All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as prescribed to them under the Act, Income Tax Act, 1961 and other applicable laws, rules and regulations, as the case may be, including any statutory modification(s), re-enactment(s) or amendment thereof from time to time.

PART II

AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

2. TRANSFER AND VESTING OF UNDERTAKING

2.1 VESTING OF UNDERTAKING

With effect from the Appointed Date and upon the Scheme becoming effective, the entire business and undertaking of the Transferor Company comprising all assets and liabilities of whatsoever nature and wheresoever situated, shall, under the provisions of Section 230 read with Section 232 and all other applicable provisions, if any, of the Companies Act, 2013, without any further act, instrument or deed, be transferred to



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and vested in the Transferee Company as a going concern as contemplated by Section 2(1B) of the Income Tax Act, 1961 together with all the rights, titles, interests or obligations of the Transferor Company and subject to the charges existing thereon or on the said assets as on the Appointed Date.

2.2 TRANSFER OF ASSETS AND LIABILITIES

2.2.1 All assets movable in nature or incorporeal property or which are otherwise capable of transfer by manual delivery or by endorsement and delivery, including but not limited to computers and R&D equipment, machineries, software, product/ process designs/ technologies, product development rights/ licenses/ registrations/ approvals, websites, portals, inventories, cash in hand of the Transferor Company shall be so transferred, delivered, or endorsed and delivered, as the case may be, to the Transferee Company and shall upon transfer become the property and an integral part of the Transferee Company, without requiring any deed or instrument of conveyance for transfer of the same.

2.2.2 In respect of movables other than those specified above, including outstanding loans and advances, investments (whether current or non-current), trade receivables,



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recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons of the Transferor Company, the same shall, without any further act, instrument or deed, be transferred to and stand vested in and /or be deemed to be transferred to and stand vested in the Transferee Company.

2.2.3 With effect from the Appointed Date and upon the Scheme becoming effective, all the properties or assets of the Transferor Company, whether movable or immovable, being transferred pursuant to this Scheme, which are registered and standing in the name of Transferor Company shall be registered in the name of the Transferee Company and the name of the Transferor Company shall be substituted with the name of the Transferee Company in all such certificates of registration, endorsements, records and in revenue/ mutation records in case of immovable properties by such appropriate authorities.

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2.2.4 With effect from the Appointed Date and upon the Scheme becoming effective, all the assets relating to the Transferor Company including all debts, liabilities, duties and obligations, including those arising on account of taxation laws and other



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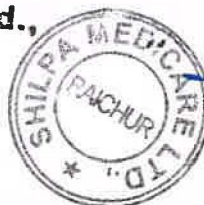
allied laws and all the movable and immovable properties, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and/or in the control of or vested in or granted in favour of or enjoyed by the Transferor Company including but without being limited to fixed assets, capital work-in-progress, current assets, debts, receivables, reserves, deposits, provisions, funds, investments, powers, authorities, allotments, approvals, consents, licenses, permissions, registrations and other statutory licenses, contracts, engagements, arrangements, rights, titles, interest, quotas, software, technologies, trade names and other industrial or intellectual property rights of any nature whatsoever and licenses in respect thereof, privileges, liberties, easements, advantages, exemptions, benefits, leases, leasehold rights, tenancy rights, quota rights, permits, authorizations, right to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, power lines, communication lines and other services, benefits of all agreements, various incentives, subsidies, grants, sales-tax, turnover tax, excise and all other interests arising to the Transferor Company and any accretions or additions thereto after the Appointed Date shall without any further act,



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instrument or deed be transferred to and vested in and / or be deemed to have been transferred to and vested in the Transferee Company as going concern in the manner provided in this Scheme.

2.2.5 Upon this Scheme becoming effective, all debts, liabilities, duties and obligations of the Transferor Company shall, as on the Appointed Date, whether or not provided in the books of the Transferor Company, and all loans raised and utilized and all liabilities, duties and obligations incurred or undertaken by the Transferor Company on or after the Appointed Date and prior to the effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the effective Date, shall, upon coming into effect of this Scheme, without any further act, instrument or deed be and stand transferred to and vested in the Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or restructuring by virtue of which such secured and/or unsecured debts, liabilities, duties and



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obligations have arisen, in order to give effect to the provisions of this sub clause.

2.2.6 Where any such debts, liabilities, duties and obligations of the Transferor Company on the Appointed Date have been discharged by the Transferor Company on or after the Appointed Date and prior to the effective Date, such discharge shall be deemed to be for and on account of the Transferee Company upon the coming into effect of this Scheme.

2.2.7 With effect from the Appointed Date, all loans, advances and other obligations (including any guarantees or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and Transferee Company, shall stand discharged and come to an end and there shall be no liability in that behalf on any party and appropriate effect shall be given in the books of accounts and records of the Transferee Company.

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2.2.8 All liabilities and obligations arising out of banking facilities and guarantees executed by the Transferor Company in



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favour of third party shall become liability / obligation of the Transferee Company, which it undertakes to meet, discharge and satisfy.

2.2.9 With effect from the Appointed Date and upon the Scheme becoming effective, all statutory licenses, franchises, permissions, approvals or consents, entitlements, sanctions, permits, rights, privileges and licenses including rights arising from contracts, deeds, license instruments and agreements, if any, belonging to the Transferor Company shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company upon the vesting and transfer of the undertaking of the Transferor Company pursuant to this Scheme. The benefit of all statutory and regulatory permissions, factory licenses, environmental approvals and consents, sales tax registrations or other licenses and consents, various incentives, subsidies, special status and other benefits or privileges enjoyed (including credit on account of tax on book profits, sales tax, excise duty, custom duty, service tax, value added tax and other incentives), granted by any government body, local authority or by any other person and availed by the



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For: Shilpa Medicare Ltd.,

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For: Shilpa Medicare Ltd.,

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Transferor Company shall vest in and become available to the Transferee Company pursuant to this Scheme.

2.2.10 All taxes (including, without limitation, income tax, sales tax, excise duty, customs duty, Service tax, VAT, Goods and Services Tax, etc) paid or payable by the Transferor Company in respect of the transactions and/or profits of the undertaking of the Transferor Company before the Appointed Date, shall be on account of the Transferor Company and, in so far as it relates to the tax payment (including, without limitation, Income tax, sales tax, excise duty, customs duty, service tax, VAT, Goods and Services Tax, etc), whether by way of deduction at source, advance tax or howsoever, by Transferor Company in respect of the profits or activities or operations of the undertaking of the Transferor Company with effect from the Appointed Date, shall be deemed to be the corresponding item paid by the Transferee Company, and shall, in any proceedings, be dealt with accordingly.



2.2.11 All tax assessment proceedings / appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and / or enforced until the Effective Date against the Transferor Company and from the

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For: **Shilpa Medicare Ltd.**, ²⁸

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For: **Shilpa Medicare Ltd.**,

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Effective Date, the same shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.

Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company into the Transferee Company or anything contained in the Scheme.

2.2.12 On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Company and realize all monies and complete and enforce all pending contracts and transactions and issue credit notes in respect of the Transferor Company in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this Scheme have been formally given effect to in such contracts and transactions.



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2.2.13 For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that

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with effect from the Effective Date and till such time that the name of the bank accounts of the Transferor Company would be replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company in the name of the Transferor Company in so far as may be necessary. All cheques and other negotiable instruments, payments orders received or presented for encashment which are in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of the Transferee Company and be credited to the account of the Transferee Company, if presented by the Transferee Company. The Transferee Company shall be allowed to maintain bank accounts in the name of the Transferor Company for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Company.



2.2.14 The Transferee Company may, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds, writings, confirmations or notices with, or in favour of, any other party to any contract or arrangement to which the Transferor Company is party or any writings as may be

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necessary to be executed in order to give formal effect to the provisions of the Scheme. The Transferee Company shall, under the provisions of the Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to implement or carry out all such formalities or compliances referred to above for and on behalf of the Transferor Company.

3 MORTGAGES AND CHARGES

3.1 All the existing securities, charges, hypothecation and mortgages over the assets and properties of the Transferee Company or any part thereof which relates to the liabilities and obligations of the Transferee Company prior to the Effective Date where, any reference in any security documents or arrangements, to which the Transferor Company is a party, wherein the assets of the Transferor Company have been or are offered or agreed to be offered as security for any financial assistance or obligations shall continue to relate to only such properties and shall not extend to attach to any of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of this Scheme.



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3.2 All the existing securities, mortgages, charges, encumbrances or liens, if any, as on the Appointed Date and created by the Transferor Company after the appointed Date, over the assets comprised in the undertaking or any part thereof transferred to the Transferee Company by virtue of this Scheme and in so far such securities, mortgages, charges, encumbrances or liens secure or relate to liabilities of the Transferor Company, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereto which they are related or attached prior to the Effective Date and are transferred to the Transferee Company.

3.3 It is clarified that unless otherwise determined by the Board of Directors of the Transferee Company, in so far as the borrowings / debts and assets comprising the Transferor Company are concerned:

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- a) The security or charge, if any existing or created in future before the effective date, for the loans or borrowings of the Transferor Company shall, without any further act or deed continue to relate to the said assets after the Effective Date; and



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b) The assets of the Transferee Company shall not relate to or be available as security in relation to the said borrowings of the Transferor Company.

4. LEGAL PROCEEDINGS

4.1 With effect from the Appointed Date and upon the Scheme becoming effective, all suits, actions and other proceedings including legal and taxation proceedings (including before any statutory or quasi-judicial authority or tribunal) of whatsoever nature by or against the Transferor Company pending and/or arising prior to or after the Appointed Date shall not abate or be discontinued or be prejudicially affected in any way by reason of the Scheme but shall be continued, prosecuted and enforced, as the case may be, by or against the Transferee Company, in the same manner and to the same extent as they would or might have continued, prosecuted and enforced by or against the Transferor Company.

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4.2 On and from the Effective Date, the Transferee Company undertakes to deal with all legal or other proceedings, initiated by or against the Transferor Company and pending on the Effective Date, transferred to its name and to have

For: **Shilpa Medicare Ltd.**²³

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such proceedings continued, prosecuted and enforced by or against the Transferee Company, as the case may be.

- 4.3 In case of any litigations, suits, recovery proceedings which are to be initiated by or to be initiated against the Transferor Company after the Appointed Date, the Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of the Transferee Company.

5. CONTRACT, DEEDS AND OTHER INSTRUMENTS

- 5.1 Upon coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements, insurance policies, leave and license agreements, licenses, engagements, certificates, benefits, privileges, entitlements, grants, sanctions, permissions, consents, approvals, concessions, any Schemes under which the Transferor Company is registered with the government or any other authorities and incentives (including but not limited to benefits under the Income-Tax Act, 1961, service tax, and other laws), remissions, remedies, subsidies, guarantees, licences and other instruments, if any, of whatsoever nature, to which the Transferor Company is party or to the benefit of which the Transferor Company may be



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eligible, and which are subsisting or having effect immediately before the Effective Date, shall continue in full force and effect on or against or in favor, as the case may be, of the Transferee Company, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto or thereunder.

5.2 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licences, permissions or approvals or consents required to carry on the operations of the Transferor Company shall stand vested in or transferred to the Transferee Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company. The benefit of all such statutory and regulatory permissions, licences, approvals and consents including statutory licences, approvals, permissions or consents required to carry on the operations of the Transferor Company shall vest in and become available to the Transferee Company pursuant to the Scheme.

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5.3 The Transferee Company shall enter into and /or issue and/or execute deeds, writings or confirmations or enter into any

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

6. SAVING OF CONCLUDED TRANSACTIONS

6.1 Subject to the terms of the Scheme, the transfer and vesting of the undertaking of the Transferor Company under Clause 2 above and the continuation of the legal proceedings by or against the Transferee Company under Clause 4 above and the effectiveness of the contracts and deeds under Clause 5 above shall not affect any transactions or proceedings or contracts or deeds already concluded by the Transferor Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intend that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor



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Company in respect thereto as done and executed on behalf of itself.

7. STAFF, WORKMEN AND EMPLOYEES OF THE TRANSFEROR COMPANY

7.1 Upon the coming into effect of this Scheme, all staff, workmen and employees of the Transferor Company in service as on the Effective Date, shall become the staff, workmen and employees of the Transferee Company and on the terms and conditions not less favorable than those on which they are engaged by the Transferor Company and without any break or interruption in service as a result of amalgamation of the Transferor Company with the Transferee Company and the terms and conditions of their employment with the Transferee Company shall not be less favourable than those applicable to them with reference to the Transferor Company on the Effective Date. **“ ATTESTED ”**

7.2 It is expressly provided that, in so far as the Gratuity Fund, Provident Fund, if applicable, Employee's State Insurance Corporation Contribution, Labour Welfare Fund or any other Fund created or existing for the benefit of the staff, workmen and employees of the Transferor Company is concerned, upon the Scheme coming into effect, the Transferee Company shall



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stand substituted for the Transferor Company for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such fund or funds shall become those of the Transferee Company and all the rights, duties and benefits of the employees of the Transferor Company under such Funds and Trusts shall be protected, subject to the provisions of law for the time being in force. It is clarified that the services of the staff, workmen and employees of the Transferor Company will be treated as having been continuous for the purpose of the said Fund or Funds.

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In so far as the Provident Fund, Gratuity Fund, if applicable, or other Special Scheme(s) / Fund(s) created or existing for the benefit of the employees of the Transferor Company are concerned, upon the coming into effect of this Scheme, balances lying in the accounts of the employees of the Transferor Company in the said funds as on the Effective Date shall stand transferred from the respective trusts / funds of

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the Transferor Company to the corresponding trusts / funds set up by the Transferee Company.

8. TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE

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

8.1 The Transferor 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 Transferee Company and shall account for the same to the Transferee Company.

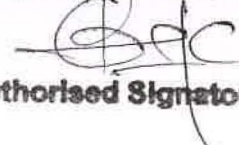


8.2 All liabilities debts, duties, obligations which arise or accrue on or after the Appointed Date shall be deemed to be the debts, liabilities, duties and obligations of the Transferee Company.

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8.3 The Transferor Company shall carry on its business with reasonable diligence and business prudence and except in the

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ordinary course of business, the Transferor Company shall not, without the prior written consent of the Board of Directors of the Transferee Company or pursuant to any pre-existing obligation sell, transfer or otherwise alienate, charge, mortgage, encumber or otherwise deal with, or dispose off, any of the assets of the undertaking of the Transferor Company or any part thereof.

8.4 With effect from the Effective Date, the Transferee Company shall suitably integrate the business being carried on by the Transferor Company into its business.

8.5 All profits or incomes accruing or arising to the Transferor Company and losses or expenditure arising or incurred by the Transferor Company (including but not limited to advance tax, tax deducted at source, Minimum Alternate Tax credit, 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 Transferee Company and shall be available to the Transferee Company for being disposed off in any manner as it thinks fit.

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8.6 Any of the rights, powers, authorities or privileges exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly any of the obligations, duties and commitments that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken or discharged for and on behalf of and as an agent for the Transferee Company.

8.7 The Transferee Company shall also be entitled, pending the sanction of the Scheme, to apply to any Government authority, if required, under any law for such consents and approvals which the Transferee Company may require to carry on the business of the Transferor Company;

8.8 The Transferee Company shall not make any modification to their capital structure either by an increase (by issue of right shares, bonus shares, convertible debentures or otherwise), decrease, reclassification, sub-division or re-organization or in any other manner, whatsoever, except by mutual consent of the Board of Directors of the Transferor Company and the Transferee Company.

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8.9 It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent / approval also to the ancillary and incidental alterations, if any, to be carried out to the Memorandum of Association of the Company as may be required under the Act and there would be no further requirement of obtaining the members' approval for such alterations arising pursuant to the sanctioned Scheme.

9. CONSIDERATION

9.1 Since the Transferor Company is a wholly owned subsidiary of the Transferee Company, upon the Scheme being effective, in consideration of the transfer and vesting of the assets and liabilities of the Transferor Company in terms of the Scheme, no shares will be issued / allotted under the Scheme by the Transferee Company to any person. All the Equity shares issued by the Transferor Company and held by the Transferee Company and its nominees in the Transferor Company shall stand cancelled and extinguished.

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9.2 All the Preference Shares issued by the Transferor Company and held by Transferee Company including the accumulated dividend thereon shall stand cancelled and extinguished.

9.2 The investments of Transferee Company in the Equity and Preference shares of the Transferor Company including the accumulated dividend on the Preference Shares, as appearing on the Asset side of the Balance Sheet of Transferee Company, without any further act or deed, stand cancelled.

9.3 On completion of the Scheme, all equity shares of the Transferor Company held by Transferee Company, shall stand cancelled and the share certificates held by the Transferee Company, shall be destroyed.



MERGER AND RECLASSIFICATION OF AUTHORIZED SHARE CAPITAL OF THE TRANSFEROR COMPANY INTO THE TRANSFEE COMPANY

" ATTESTED "

10.1 As an integral part of the Scheme and upon coming into effect of this Scheme and upon the transfer and vesting of the Transferor Company into Transferee Company, the entire Authorized Share Capital of the Transferor Company amounting to Rs.45,00,00,000/- (Rupees Forty-Five Crores)

For: **Shilpa Medicare Ltd.,** 43

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divided into 15,00,000 (Fifteen Lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each and 4,35,00,000 (Four Crores Thirty-Five Lakhs) Preference Shares of Rs.10/- (Rupees Ten) shall stand merged with the Authorized Share Capital of the Transferee Company.

10.2 Accordingly, upon this Scheme becoming effective, the authorized share capital of the Transferee Company in terms of its Memorandum of Association shall automatically stand increased to Rs.54,50,00,000/- (Rupees Fifty Four Crore Fifty Lakhs) divided into 54,50,00,000/- (Fifty Four Crore Fifty Lakhs) Equity shares of Re.1/- (One) each without any further act, instrument or deed on the part of the Transferee Company, including payment of stamp duty and fees payable to the Registrar of Companies, Telangana.



10.3 The Memorandum of Association and Articles of Association of the Transferee Company shall stand altered, modified and amended and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purpose of effecting this amendment for increase, and no further resolutions under Sections 13, 61 and 64 or any other applicable provisions under the Companies Act, 2013 would be required to be separately passed. For this purpose, the "fee and stamp duty,"

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already paid by the Transferor Company on its Authorized share capital shall be utilized and applied to the increased Authorized share capital of the Transferee Company and shall be deemed to have been so paid by the Transferee Company on such combined Authorized Share capital and accordingly, the Transferee Company shall not be required to pay any fees/ stamp duty on the Authorized share capital so increased.

10.4 Pursuant to this Scheme coming into effect, the Transferee Company shall file requisite forms with the Registrar of Companies for alteration of its authorized share capital.

10.5 It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent / approval also to the Memorandum of Association and Articles of Association of the Transferee Company as may be required under the Act and Clause V of the Memorandum of Association of the Transferee Company shall stand altered accordingly.

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10.6 Clause V of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed be altered and amended pursuant to Section 61 or any other

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applicable provisions under the Companies Act, 2013 as under:

- V. The Authorized share capital of the Company is Rs. 54,50,00,000/- (Rupees Fifty Four Crore Fifty Lakhs) divided into 54,50,00,000/- (Rupees Fifty Four Crore Fifty Lakhs) Equity shares of Re.1/- (One) each.

11. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY

11.1 Upon this Scheme becoming effective, the Transferee Company shall follow the accounting prescribed under Indian Accounting Standard 103 and other applicable Indian Accounting Standards, as applicable from time to time, as specified hereunder:

“ ATTESTED ”

- i. All the assets and liabilities including reserves recorded in the books of the Transferor Company shall stand transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at their existing carrying amount as appearing in the books of



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Transferor Company and account for the amalgamation of the Transferor Company pursuant to this Scheme in accordance with Indian Accounting Standard 103, as amended from time to time.

- ii. The reserves/ losses of the Transferor Company shall appear in the financial statements of the Transferee Company in the same form in which they appeared in the financial statements of the Transferor Company.
- iii. The balance in the Statement of Profit and Loss appearing in the financial statements of Transferor Company shall be aggregated with the corresponding balance appearing in the financial statements of the Transferee Company.
- iv. Inter-corporate deposits / loans and advances, if any, outstanding between the Transferee Company and the Transferor Company inter-se shall stand cancelled and there shall be no further obligation / outstanding in that behalf. Any difference arising on such cancellation should be adjusted in the reserves of the Transferee Company.



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- v. The amount of share capital of the Transferor Company and investment held by the Transferee Company in the Transferor Company shall be adjusted against each other.
- vi. The excess or deficit, if any, arising after recording the above entries, shall be adjusted against Capital Reserve Account in the books of the Transferee Company.
- viii. Notwithstanding the above, the Transferee Company in consultation with its Auditors, is authorized to account for any of these balances in any manner, whatsoever it considered appropriate.



12. TAX CREDITS, REFUNDS AND ADJUSTMENTS

- 12.1 Notwithstanding anything to the contrary contained in the provisions of this Scheme, the Transferee Company shall be entitled to carry forward, avail of, or set-off any unabsorbed tax losses, tax depreciation, credits for Minimum Alternate Tax and Input Tax Credit of the Transferor Company that remains unutilized as on the Effective Date.

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12.2 Upon the Scheme becoming effective, the Transferee Company shall be entitled to claim refunds or credits, including Input Tax credits, with respect to taxes paid by, for or on behalf of the Transferor Company under applicable laws, including but not limited to Income Tax, Sales Tax, Value Added Tax, Entry Tax, Central Sales Tax, Service Tax, CENVAT or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed. Any Input Tax Credits already availed or utilized by the Transferor Company and the Transferee Company in respect of inter se transactions shall not be adversely impacted by the cancellation of inter se transactions pursuant to this Scheme.



12.3 Upon the Scheme becoming effective, any Advance Tax, Self-Assessment Tax, Minimum Alternate Tax and/or TDS / TCS credit available with the Transferor Company, including any taxes paid and taxes deducted at source and deposited by the Transferor Company on inter se transactions between the Appointed Date and the Effective Date shall be treated as Advance Tax paid by the Transferee Company and shall be available to the Transferee Company for set-off against its liability under the Income Tax and any excess tax so paid shall be eligible for refund together with interest. Any TDS

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certificates issued by the Transferee Company to, or for the benefit of, the Transferor Company under the Income Tax with respect to inter se transactions would stand cancelled and be treated as null and void without any further act on the part of the Transferor Company and the Transferee Company. Further, TDS/TCS deposited, TDS certificates issued or TDS returns filed by the Transferor Company other than inter se transactions between the Appointed Date and the Effective Date shall continue to hold good as if such TDS/TCS amounts were deposited, TDS certificates were issued or TD/TCS returns were filed by the Transferee Company. Any TDS deducted by the Transferee Company on inter se transactions with the Transferor Company will be treated as Advance Tax deposited by the Transferee Company.



12.4 Upon the Scheme becoming effective, any Service Tax, VAT, Excise duty, Central Sales Tax, Entry Tax or any other tax charged by, for, or on behalf of the Transferor Company on inter se transactions and on which CENVAT credit or any input tax credit is not available or has not been claimed by the Transferor Company, shall be treated as aforesaid taxes paid by the Transferee Company.

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12.5 The Transferee Company is expressly permitted to file or revise its Income Tax, TDS/TCS, Service Tax, VAT, Excise, Entry Tax, Professional Tax or any other returns, statements, documents, upon the Scheme becoming effective, and where necessary to give effect to the Scheme, even if the prescribed time limits for filing or revising such returns have lapsed. The Transferee Company is expressly permitted to amend, if required, its TDS/TCS or other statutory certificates and shall have the right to claim refunds, tax credits, set-offs and/or adjustments relating to its income or transactions entered into by it with effect from the Appointed Date. The taxes or duties paid by, for, on behalf of the Transferor Company relating to the period on or after the Appointed Date shall be deemed to be the taxes or duties paid by the Transferee Company and the Transferee Company shall be entitled to claim credit or refund for such taxes or duties paid.



12.6 Any refund under the Income-tax Act, 1961, Wealth-tax Act, 1957, service tax laws or other applicable laws / regulations dealing with taxes/ duties / levies tax due to Transferor Company consequent to the assessment made on Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.

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12.7 Any tax liabilities under the Income-tax Act, 1961, service tax laws, customs law or other applicable laws/ regulations dealing with taxes/ duties / levies of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date, if any, shall be transferred to Transferee Company.

12.8 Obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company under the Income-tax Act, 1961, service tax laws, or other applicable laws / regulations dealing with taxes/ duties / levies shall be made or deemed to have been made and duly complied with by the Transferee Company.



PART III

GENERAL TERMS AND CONDITIONS APPLICABLE TO THIS SCHEME

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13. OPERATIVE DATE OF THE SCHEME

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The Scheme set out herein in its present form or any modifications approved or directed by the Board of Directors of the Transferor Company and the Transferee Company or by the members or creditors of the Companies involved or by the Hon'ble National Company Law Tribunal , Bengaluru Bench or any other appropriate authority, unless otherwise specified in the Scheme, shall be operative from the Appointed Date i.e. 01.04.2020 but shall be effective from the Effective Date.

14. IMPACT OF THE SCHEME ON CREDITORS

This Scheme of Amalgamation, if approved by the Hon'ble National Company Law Tribunal , Bengaluru Bench or any other appropriate authority, shall not have any adverse impact on the Creditors whether secured or unsecured, of the Transferor Company and the Transferee Company.



15. DISSOLUTION OF THE TRANSFEROR COMPANY

Upon the coming into effect of the Scheme, the Transferor Company shall, without any further act or deed shall stand dissolved without going through the process of winding up as per the provisions of the Act and the Rules made thereunder.

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16. APPLICATION TO THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL , BENGALURU BENCH

The Transferor Company and the Transferee Company with all reasonable diligence hereto shall make necessary applications, affidavits, petitions, etc before the Hon'ble National Company Law Tribunal, Bengaluru Bench or any other competent authority having jurisdiction over the Scheme, as the case may be, for obtaining sanction to this Scheme of Amalgamation under Section 230 read with Section 232 of the Companies Act, 2013 and for dissolution of the Transferor Company without winding up under the provisions of law.

17. MODIFICATIONS/AMENDMENTS TO THE SCHEME

17.1 The Transferor Company (by its Directors) and the Transferee Company (by its Directors):



(i) may assent to any modification or amendment to the Scheme or of any conditions or limitations which any appropriate authorities under law may deem fit to direct or impose;

" ATTESTED "
[Signature]

For: Shilpa Medicare Ltd.,

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For: Shilpa Medicare Ltd.
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- (ii) may give such directions and / or may assent to any modification or amendment which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and / or carrying out the Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation thereof;
- (iii) may do all acts, deeds, matters and things as may be necessary, desirable or expedient for giving effect to the Scheme, and the aforesaid modifications, amendments and terms and conditions or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect;
- (iv) may also in their full and absolute discretions, withdraw or abandon the Scheme at any stage of the proceedings.



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For: **Shilpa Medicare Ltd.,**

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For: **Shilpa Medicare Ltd.,**
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18. CONDITIONALITY OF SCHEME

The Scheme is conditional upon and subject to the following:

- 18.1 The Scheme being agreed to by the requisite majority of the Shareholders and Creditors of the Transferor Company as required under the Act.
- 18.2 The Scheme being agreed to by the requisite majority of the Shareholders and Creditors of the Transferee Company as required under the Act.
- 18.3 The Scheme being sanctioned by the Hon'ble National Company Law Tribunal , Bengaluru Bench or such other competent authority under Section 230 read with Section 232 and other applicable provisions of the Companies Act, 2013.

- 18.4 The Certified copy of the order sanctioning the Scheme being filed with the Registrar of Companies, Karnataka.



19. EFFECT OF NON-RECEIPT OF APPROVALS

“ ATTESTED ”

In the event of any of the said sanctions and approvals referred above not being obtained and/ or complied with and/

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For: Shilpa Medicare Ltd.,

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or satisfied (unless otherwise decided by the Board of Directors) and/ or this Scheme not being sanctioned by the Hon'ble National Company Law Tribunal , Bengaluru Bench or such other competent authority under the applicable provisions of the Act, as may be applicable, and/or the order not being passed as aforesaid before 31st March, 2022 or within such further period as may be agreed upon by the Transferor Company and the Transferee Company, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto, as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the applicable law. Each party shall bear its respective costs, charges and expenses in connection with the Scheme unless otherwise mutually agreed.



20. **RESOLUTIONS**

“ ATTESTED ”

Upon coming into effect of the Scheme, the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date be considered as resolutions of the Transferee Company and any approvals obtained by

For: Shilpa Medicare Ltd., 57


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Transferor Company from its shareholders under the provisions of Section 180, Section 185, Section 186, Section 188 and other provisions of the Act and which are valid and subsisting on the Effective Date, shall continue to be valid and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, of like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

21. SEVERABILITY

If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Company and Transferee Company, affect the validity or implementation of the other parts and / or provisions of this Scheme.



" ATTESTED "

A green handwritten signature or scribble, likely of the notary, positioned below the "ATTESTED" text.

For: Shilpa Medicare Ltd.,

A handwritten signature in black ink, positioned above the text "Authorized Signatory".

Authorized Signatory

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For: Shilpa Medicare Ltd.,
A handwritten signature in blue ink, positioned above the text "Authorized Signatory".
Authorized Signatory

22. EXPENSES CONNECTED WITH THE SCHEME

Subject to the provisions of the Scheme, all costs, charges and expenses (including, but not limited to, any taxes and duties, stamp duty, registration charges, etc) of/payable by the Transferor Company and the Transferee Company respectively in relation to or in connection with this Scheme and incidental to the completion of the amalgamation of the Transferor Company with the Transferee Company shall, except as specifically provided herein, be borne and paid by the Transferee Company.



" ATTESTED "

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For: Shilpa Medicare Ltd.,

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REPORT OF THE AUDIT COMMITTEE OF SHILPA MEDICARE LIMITED ("AUDIT COMMITTEE") RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION BETWEEN INM TECHNOLOGIES PRIVATE LIMITED AND SHILPA MEDICARE LIMITED AT ITS MEETING HELD ON 08TH AUGUST, 2020 AT RAICHUR

Members present:

- a. Mr. Rajender Sunki Reddy - Chairman - through Video Conference.
- b. Mr. Omprakash Inani - Member - Physically Present
- c. Mr. Pramod Kasat - Member - through Video Conference.

Invitees:

- a. Mr. Vishnukant C. Bhutada - Managing Director
- b. Mr. Sharath Reddy Kalakota - Whole Time Director

Background:

A meeting of the Audit Committee of Shilpa Medicare Limited (SML) was held on 08th August, 2020 at the Registered office of the Company situated at 12-6-214/A-1, Shilpa House, Hyderabad Road, Raichur - 584135, Karnataka through other audio visual means to consider and recommend to the Board of Directors, the management proposal for the Scheme of Amalgamation between "INM Technologies Private Limited, a wholly owned subsidiary of SML (Transferor Company)" and "Shilpa Medicare Limited (Transferee Company)" together called as scheme under the Chapter XV (Compromises, Arrangements and Amalgamations) of the Companies Act, 2013 and other applicable provisions of law, which envisages the amalgamation of the Transferor Company with and into the Transferee Company, with effect from 01st April, 2020 or such other date as may be mutually agreed between the Transferor Company and the Transferee Company ("Appointed Date") subject to the approval of the requisite majority of Shareholders and Creditors of the both Transferor and Transferee Companies, Bombay Stock Exchange and the National Stock Exchange, (if any required), National Company Law Tribunal (Karnataka Bench) and such other regulatory authorities as may be applicable. The Transferor Company and Transferee Company collectively referred to as "Amalgamating Companies"

Salient Features of the Scheme.

The Audit Committee noted the brief particulars of the proposed scheme of amalgamation were as under:

- a. The scheme contemplates amalgamation of the transferor company into the transferee Company pursuant to the provisions of Sections 230-232 of the Companies Act, 2013 and other applicable provisions and the dissolution without winding up of the Transferor Company pursuant thereto.

For Shilpa Medicare Ltd.

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- b. Appointed date would be 01st April, 2020 or such other date as may be approved by Board of Director or by the National Company Law Tribunal or such other competent authority having jurisdiction to sanction the Scheme.
- c. with effect from the appointed date and upon scheme becoming effective, the Transferor Company along with all the assets and liabilities shall stand transferred to and vest with the Transferee Company as a going concern, without any further act, instrument or deed .
- d. The Transferee Company shall follow the method of accounting as prescribed under Indian Accounting Standards 103 and other applicable Indian Accounting Standards, as applicable from time to time.
- e. in consideration of the transfer and vesting of the assets and liabilities of the Transferor Company in terms of the Scheme, no shares will be issued / allotted under the Scheme by the Transferee Company to any person. All the Equity shares issued by the Transferor Company and held by the Transferee Company and its nominees in the Transferor Company shall stand cancelled and extinguished.
- f. The scheme is required to be approved by the requisite majorities in number and value of such classes of persons including the respective members and / or creditors of the Transferor Company and the Transferee Company as may be directed by the National Company Law Tribunal

Rationale for the proposal:

The Transferor Company is a wholly owned subsidiary of the Transferee Company. Considering the cost synergies on being a combined entity which would enhance the competitiveness and lead to the growth prospectus in the business operations of the Transferee Company and to ensure to attain the objects more effectively by better performance, accelerated growth and improved profitability, the Board of Directors of the Transferor Company and the Transferee Company have decided to amalgamate the Transferor Company and the Transferee Company, so as to achieve the following benefits:

- The amalgamation will enable the Transferee Company to consolidate its business, enhance the scale of operations, pool technical and other resources of the Transferor Company and the Transferee Company, and optimally utilize various resources which in turn would enable the Transferee Company to participate more vigorously achieve operational efficiency, synergy and operational rationalization.
- Reduction in overheads including other expenditure, multiple record-keeping, etc., thus resulting in reduced expenditure and significant reduction in the multiplicity of legal and regulatory compliances required to be carried out by the Transferor Company and the Transferee Company.
- The combined entity, with its technical efficiency and strong net worth, will have greater access to sources of funds will ultimately lead to greater

For Shilpa Medicare Ltd.,

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productivity and economical operations for future growth of the Transferee Company as well as strengthening the value of all the stakeholders of the Company.

Recommendation of the Audit Committee:

In the opinion of the members of the Audit Committee present at the meeting, the proposed scheme of amalgamation would be in the best interest of all the stakeholders of the Transferee Company including the shareholders, lenders, creditors and customers and lenders.

**For and on behalf of the
Audit Committee of Shilpa Medicare Limited.**


Rajender Sunki Reddy (a)
Chairman





VIJAYAWADA, HYDERABAD, VISAKHAPATNAM, GUNTUR, KAKINADA, TANUKU, ALSO AT CHENNAI, BANGALORE AND ADONI.

To,

The Board of Directors,
Shilpa Medicare Limited,
#12-6-214/A1, Shilpa House, Hyderabad Road,
Raichur – 584 135, Karnataka.

We, the statutory auditors of Shilpa Medicare Limited, (hereinafter referred to as “the Company”), have examined the proposed accounting treatment specified in clause 11 of the Draft Scheme of Amalgamation between Shilpa Medicare Limited (*Transferee Company*) and INM Technologies Limited (*Transferor Company*), the wholly owned subsidiary of the Company as approved by the Board of Directors in their meeting held on September 9, 2020 in terms of the provisions of section 232 of the Companies Act, 2013 with reference to its compliance with the applicable Accounting Standards notified under the Companies Act, 2013 and Other Generally Accepted Accounting Principles.

The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is to examine and report whether the Draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the aforesaid scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder, and all the applicable Accounting Standards notified by the Central Government under the Companies Act, 2013.

This Certificate is issued at the request of the Company pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to the Bombay Stock Exchange and National Stock Exchange. This Certificate should not be used for any other purpose without our prior written consent.

for BRAHMAYYA & CO.
Chartered Accountants
Firm's Regn No. 000513S



K. Shrawan
(K.SHRAVAN)

Partner

Membership No. 215798

UDIN: 20215798AAAADW5107

Place : Hyderabad
Date : 09-09-2020