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# SCHEME OF MERGER AND AMALGAMATION

(UNDER SECTION 230 TO 232 READ WITH SECTION 66 OF THE COMPANIES ACT, 2013 AND OTHER  
APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013)  
BETWEEN

**NYATI PHARMA PRIVATE LIMITED**  
("TRANSFEROR COMPANY")

AND

**TULSI AMRIT PRIVATE LIMITED**  
("TRANSFeree COMPANY")

AND

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**PREAMBLE:**

This Scheme of Merger and Amalgamation (*the Scheme*) is presented under sections 230 to 232 read with section 66 and other applicable provisions of the Companies Act, 2013 (including any statutory modifications or re-enactments or amendments thereof) read with the applicable provisions of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 for Merger and Amalgamation between Nyati Pharma Private Limited (*Transferor Company*) and Tulsi Amrit Private Limited (*Transferee Company*) and their Respective Shareholders And Creditors.

**RATIONALE:**

The aforesaid companies are private limited companies and are part of the same Group. The Group proposes to consolidate the Transferor company into Transferee Company. As a result of the consolidation, the following benefits will accrue to the Group:

- a) Greater integration and financial strength and flexibility for the combined entity, which would result in maximizing overall shareholder value and will improve the economic and competitive position of the combined entity;
- b) Opportunities to strengthen leverage for raising resources to finance business needs and strengthen the financial position of the combined entity for future growth and expansion and to create a business structure, which is geared to take advantage of possible growth opportunities;
- c) Achieve greater efficiencies in operations with optimum utilization of resources, better administration and reduced cost. Increased cost savings are expected to flow from focused operational efforts, rationalization, standardization and simplification of business processes and optimum rationalization of administrative expenses and utilization of human resources;
- d) Additional thrust to the combined entity in terms of offering an optimum financial and capital structure resulting in better ability to leverage resources for growth and expansion;
- e) Better financial, business and operational prospects including but not limited to, efficient management and improved administrative control of combined entity with the administrative cost saving;
- f) Greater efficiency in cash management of the amalgamated entity, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value;
- g) Improved organizational capability and leadership, arising from the pooling of human capital who have the diverse skills, talent and vast experience to compete successfully in an increasingly competitive business activities;
- h) Achieving economies of scale.

In view of the aforesaid, benefits envisaged the Board of Directors of the Transferor and the Transferee Companies have considered and proposed the merger and amalgamation of the entire business of the Transferor Company with the Transferee Company in order to benefit of all the stakeholders of the Transferor and Transferee Company. Accordingly, the Board of Directors of the Transferor Company and the Transferee Company have formulated this Scheme of Merger and Amalgamation for the transfer



and vesting of the entire business of the Transferor Company with and into the Transferee Company pursuant to the provisions of section 230 to 232 read section 66 of the Companies Act, 2013 and all the applicable provisions of the Companies Act, 2013 and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 pertaining to the Scheme of Merger and Amalgamation, as notified by the Ministry of Corporate Affairs. The Scheme shall be deemed to have been formulated and presented under Section 230 to 240 of the Chapter XV of the Companies Act, 2013.

## 1. BACKGROUND OF THE COMPANIES

1.1 NYATI PHARMA PRIVATE LIMITED ("*Transferor Company*") is a company incorporated under the provisions of Companies Act, 1956 on 27<sup>th</sup> January, 1993 in the State of Madhya Pradesh and having its Corporate Identification Number (CIN): U24232MP1993PTC007470 and Income Tax PAN: AANAACN5987G and registered office is situated at 23/5, Snehalta Ganj, Indore (M.P.)-452003, Email: info@nyatipharma.com.

(a) The Company has not changed its name and main objects, and registered office during last five years.

(b) It is incorporated to acquire the running business of M/s Pharmawel Centre a registered firm and to continue and carry on the business of manufacturing, trading, buying, selling, warehousing, clearing, and forwarding and to act as purchasing and selling agents or otherwise dealing in basic drugs, pharmaceuticals, medicines, chemical preparations, surgical equipments and accessories, drug formulations including Ayurvedic and Homeopathic formulations, proteins, nutrients, medicated oils, artificial limbs, bandage materials, hospital aids, patients aids, medical professional aids, pharmacist's aids and handicapped's aids both in internal and external markets.

1.2 TULSI AMRIT PRIVATE LIMITED ("*Transferee Company*") is a company incorporated under the provisions of Companies Act, 1956 on 02/12/1997 in the state of Madhya Pradesh and having its Corporate Identification Number (CIN): U29199MP1997PTC012482 and Income Tax PAN: AABCT8040K and registered office is situated at Plot No 18 Sector-D, Sanwer Road, Industrial Estate, Indore (M.P.) 452003 Email: [tulsiamrit@tulsiamrit.com](mailto:tulsiamrit@tulsiamrit.com)

(a) The Company has not changed its name and main objects and registered office during last five years.

(b) It is incorporated to carry business of manufacturing, trading, warehousing, clearing and forwarding, acts as a purchasing and selling agent, export, import, brand establishment or otherwise dealing in all types of herbal extracts and ayurvedic extracts, herbal medicines and formulations, tonics, herbal ointments, herbal lotions and creams, treatments and other allied products basic drugs, pharmaceuticals, medicines, chemical preparation, surgical equipments and accessories, drug formulation including ayurvedic and homeopathic formulations, proteins, nutrients, medicated oils, artificial limbs, bandage materials, hospital aids, patients aids, medical professional aids, pharmacist's aids and handicapped's aids both in internal, external and import markets and to operate and run natural therapy centers.

The Scheme is divided into the following parts:

- o Part A - Definition and Share Capital
- o Part B - Merger and Amalgamation of NYATI PHARMA PRIVATE LIMITED ("*Transferor Company*") into TULSI AMRIT PRIVATE LIMITED ("*Transferee Company*") with effect from the appointed date 1<sup>st</sup> April 2017.
- o Part C - General Terms and Conditions

The Scheme also provides for various other matter consequential, incidental or otherwise integrally connected herewith.

## PART A

1. The Scheme is drawn up in compliance with the provisions of section 2(1B) of the Income Tax Act, 1961 pertaining to Amalgamation and Merger and should always be read as in compliance of the said section.

## 2. DEFINITIONS:

In this scheme, unless inconsistent with the subject, the following expression shall have the meanings respectively assigned against them:

"Act" means the Companies Act, 2013 including any statutory modifications, re-enactment of rules, regulations, notifications, amendments or statutory replacement or re-enactment or amendments thereof.



- 2.2 "Applicable Law" shall mean any statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinances, orders or instructions having the force of law enacted or issued by any Appropriate Authority including any statutory modification or re-enactment thereof for the time being in force.
- 2.3 "Appointed Date" means April 1<sup>st</sup>, 2017 or such other date as may be approved by the Hon'ble National Company Law Tribunal, Ahmedabad Bench or such other bench having jurisdiction.
- 2.4 "Appropriate Authority" means any government, statutory, departmental or public body of authority in India, including Registrar of Companies, Regional Director of the Ministry of Corporate Affairs, Official Liquidator, National Company Law Tribunal ("NCLT"), Bench at Ahmedabad or such other bench having jurisdiction.
- 2.5 "Board of Directors" or "Board" in relation to Transferor Company and/or Transferee Company shall, unless it is repugnant to the context or otherwise, include a committee of directors or any person authorized by the Board of directors or such committee of directors.
- 2.6 "Effective Date" means the date on which the certified copies of the Orders of Hon'ble National Company Law Tribunal under Sections 230 to 232 of the Act sanctioning the Scheme filed with the Registrar of Companies, Madhya Pradesh at Gwalior by the Transferor Company and Transferee Company.
- 2.7 "IT Act" means Income Tax Act, 1961.
- 2.8 "Lender" or "Lenders" means any person or entity that has granted or will grant any credit facility whether fund based or non-fund based and whether secured or unsecured to the Transferor Company or the Transferee Company.
- 2.9 "NCLT" or "Tribunal" means the National Company Law Tribunal, Bench at Ahmedabad or some other Bench as may be having jurisdiction;
- 2.10 "Record Date" shall mean the date to be fixed by the Board of Directors of the Transferee Company or a committee thereof in consultation with Board of Directors of the Transferor Company for reckoning the names of the equity shareholders of the Transferor Company who shall be entitled to equity shares of Transferee Company on coming into effect of the Scheme;
- 2.11 "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Merger and Amalgamation in its present form or with any modification(s) as approved or directed by the Hon'ble National Company Law Tribunal.
- 2.12 "Transferor Company" means Nyati Pharma Private Limited a company incorporated under the Act and having its registered office at 23/5, Snehalta Ganj, Indore (M.P)- 452003
- 2.13 "Transferee Company" means Tulsi Amrit Private Limited, a company incorporated under the Act and having its registered office at Plot No 18 Sector- D Sanwer Road Industrial Estate Indore (M.P) 452003
- 2.14 "Undertaking" means:
- All the assets and properties of the Transferor Company as on the Appointed Date (hereinafter referred to as "the said assets");
  - All the debts, liabilities, duties and obligations of the Transferor Company including contingent liabilities as on the Appointed Date (hereinafter referred to as "the said liabilities");
  - Without prejudice to the generality of sub-clause (a) above, the Undertaking of the Transferor Company shall include all the Transferor Company's reserves and the authorized share capital, movable and immovable properties including Stock of medicines, investments, claims, powers, authorities, allotments, approvals, consents, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, club memberships, advantages, leasehold rights, brands, tenancy rights, other intangibles, industrial and other licenses, permits, authorizations, quota rights, trade marks, patents and other industrial and intellectual properties including, know-how, domain names, import quotas, telephones, telex, facsimile and other communication facilities and equipment, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals of whatsoever nature and wheresoever situate, belonging to or in the ownership, power or possession or control of the Transferor Company as on the Appointed Date and thereafter.

All other terms, words and phrases not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Companies Act, 2013 as



applicable, and other applicable laws, rules, regulations, by-laws as the case may be or any statutory modification or re-enactment thereof from time to time.

### 3. DATE OF TAKING EFFECT AND OPERATIVE DATE:

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Hon'ble National Company Law Tribunal or made as per Clause 22 of the Scheme, shall come into legal operation from the Appointed Date but shall be effective from the Effective Date.

### 4. SHARE CAPITAL STRUCTURE:

The authorized, issued, subscribed and paid up share capital of the Transferor Company is as follows:

4.1 The Share Capital of Transferor Company Nyati Pharma Private Limited as on 31<sup>st</sup> March, 2017 is as under:

Share Capital	Rupees
Authorised Share Capital	
24000 Equity shares of Rs. 100 each	24,00,000
<b>TOTAL</b>	<b>24,00,000</b>
Issued, Subscribed and Paid-up Share Capital	
23980 Equity shares of Rs. 100 each	23,98,000
<b>TOTAL</b>	<b>23,98,000</b>

There has been no change in the capital structure of Transferor Company subsequent to above date till the date of approving of the Scheme by the Board of Directors.

4.2 The Share Capital of Transferee Company- Tulsi Amrit Private Limited, as on 31<sup>st</sup> March 2017 is as under:

Share Capital	Rupees
Authorised Share Capital	
500000 Equity shares of Rs. 10 each	50,00,000
<b>TOTAL</b>	<b>50,00,000</b>
Issued, Subscribed and Paid-up Share Capital	
400000 Equity shares of Rs. 10 each	40,00,000
<b>TOTAL</b>	<b>40,00,000</b>

There has been no change in the capital structure of Transferee Company subsequent to above date till the date of approving of the Scheme by the Board of Directors.

## PART B

### 5. TRANSFER OF UNDERTAKING AND VESTING:

5.1 With effect from the Appointed Date, the entire business along with the assets and liabilities of the Transferor Company, shall pursuant to the provisions contained in sections 230 to 232 and all other applicable provisions, if any, of the Act and section 2(1B) of the Income Tax Act, 1961, without any further act, deed, matter or thing, stands transferred and vested in and/or be deemed to be transferred to and vested in Transferee Company so as to become business, assets and properties of Transferee Company as a part and consequent upon the Merger and Amalgamation.

5.1.1 All the assets pertaining to the Transferor Company which are movable in nature, or are incorporeal property, or are otherwise capable of being physically transferred by manual delivery and/or by endorsement including cash in hand, cash in banks, shall be transferred by delivery or endorsement to Transferee Company to the end and intent that the property therein passes to Transferee Company. Such delivery and transfer shall be made on a date to be mutually agreed upon between the respective Board of Directors or Committees thereof of the Transferor Company and Transferee Company;

5.1.2 In respect of other assets pertaining to the Transferor Company including actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and all types of deposits with the Government, Semi-Government, local and other authorities, bodies and customers, the same shall be stand transferred to and vested in Transferee Company as an integral part of this Scheme without any notice or other intimation to the debtors (although Transferee Company, may if it so deems appropriate issue notices stating that pursuant to this Scheme, the relevant debt, loan, advance, deposit or other asset, be paid or made good to, or be held on account of, Transferee Company as the person entitled thereto, to the end and intent that the right of the Transferor Company to receive, recover or realize the same, stands transferred to Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes);

5.1.3 In so far as the immovable properties (including flats, land together with the buildings and structures standing thereon) of the Transferor Company are concerned, whether



freehold or leasehold and any documents of title, rights and easements in relation thereto shall stand transferred to and be vested in Transferee Company, without any act or deed done by the Transferor Company and Transferee Company. With effect from the Appointed Date, Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay ground rent, municipal taxes and fulfill all obligations, in relation to or applicable to such immovable properties. The mutation of title to the immovable properties in the name of Transferee Company shall be made and duly recorded by the appropriate authorities upon filing of true copies of the Order of Hon'ble National Company Law Tribunal or any other appropriate authority approving the Scheme without any further act or deed on part of the Transferor Company or Transferee Company.

- 5.1.4 Any amount including refund under the Tax Laws due to the Transferor Company consequent to the assessment proceedings or otherwise and which have not been received by the Transferor Company as on the date immediately preceding the Appointed Date shall also belong to and be receivable by Transferee Company upon the Scheme being effective.
  - 5.1.5 In respect of such of the assets belonging to the Transferor Company other than those referred to in clause 5.1.1 to 5.1.4, the same shall be transferred to and vested in and/or be deemed to be transferred to and vested in Transferee Company on the Appointed Date pursuant to the provisions of section 230-232 of the Act.
  - 5.1.6 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements including multi part arrangements with any party to any contract or arrangement to which Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme, the Transferee Company and to carry out or perform all such formalities or compliances on the part of the Transferor Company to be carried out or performed.
- 5.2 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions, approvals, consents, certificates, clearances, authorities (including for the operation of bank accounts), leases, tenancy, assignments, allotments, powers of attorney given by, issued to or executed in favor of the Transferor Company and the rights and benefits under the same shall and all permits, registration of vehicles, quality certifications and approvals, trademarks, brands, patents, drug licence, and domain names, copyrights, industrial designs, trade secrets and other intellectual property and all other interests relating to the goods or services being dealt with by the Transferor Company, shall stand vested in or transferred to Transferee Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favor of Transferee Company and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses and consents shall vest in and become available to Transferee Company as if they were originally obtained by Transferee Company.
- 5.3 In so far as the various incentives, tax exemption and benefits, subsidies, grants, refunds, rehabilitation schemes, special status and other benefits or privileges enjoyed including in respect of income tax (including Minimum Alternate Tax), excise (including MODVAT/CENVAT), customs, VAT (including incentive available from Trade and Investment Facilitation Corporation Limited, Bhopal), sales tax, GST, service tax, etc. granted by any Government body, local authority or by any other person, or availed of by the Transferor Company, are concerned, the same shall vest with and be available to Transferee Company on the same terms and conditions as applicable to Transferor Company, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to Transferee Company.
- 5.4 The transfer and vesting of the assets and liabilities of the Transferor Company as aforesaid shall be subject to the existing securities, charges, mortgages, if any, in respect of any assets of Transferor Company.

*Provided* always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by Transferor Company and that Transferee Company shall not be obliged to create any further or additional security thereof after the Effective Date or otherwise.

*Provided also* that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed by Transferee Company and that Transferee Company shall not be obliged to create any further or additional security in lieu thereof, on any assets of Transferor Company vested in Transferee Company in accordance with foregoing paragraphs of the scheme, after the Effective Date or otherwise.



- 5.5 All assets and liabilities of the Transferor Company as on the Appointed Date, whether or not included in their respective books and all the assets and properties which are acquired by them on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of Transferee Company and shall under the provisions of sections 230 to 232 of the Act and all other applicable provisions, if any, of the Act, without any further act, instrument or deed be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to Transferee Company upon the coming into effect of this Scheme on the Effective Date, pursuant to the provisions of sections 230 to 232 of the Act and all other applicable provisions, if any of the Act.
- 5.6 With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations of every kind, nature and description of Transferor Company under the provisions of sections 230 to 232 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to Transferee Company, so as to become part and parcel of debt, duties and obligation and liabilities (including contingent liabilities) including accrued interest thereon of Transferee Company with effect from the Appointed Date 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 arrangement by virtue of which such debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this clause.
- 5.7 Upon the Scheme being effective, any tax liabilities under the Income Tax Act, 1961, Customs Act, 1962, Central Excise Act, 1944, Service Tax, GST, Value Added Tax laws, Entertainment Tax, Municipal Corporation, Property Tax, Permit fee of RTO, as applicable in any State in which the Transferor Company operates, Central Sales Tax Act, 1956, any other State Sales Tax / Value Added Tax laws, or Service Tax, GST, or Corporation Tax, or other applicable laws/ regulations dealing with taxes/ duties/ levies/ cess (hereinafter in this Clause referred to as "Tax Laws") to the extent not provided for or covered by tax provision in the Transferor Company accounts made as on the date immediately preceding the Appointed Date shall be transferred to Transferee Company. Any surplus in the provision for taxation/ duties/ levies account including advance tax, tax deducted/ collected at source and credit for Minimum Alternate Tax as on the date immediately preceding the Appointed Date will also be transferred to the account of and belong to Transferee Company.
- 5.8 For the period between the Appointed Date and the Effective Date all debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date whether or not provided in the books of the Transferor Company raised, used and satisfied, shall be deemed to be for and on account of Transferee Company.

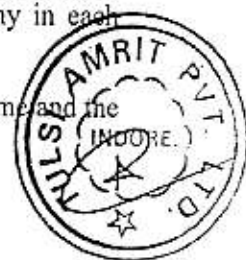
## 6. CONSIDERATION - ISSUANCE OF SHARES:

- 6.1 Upon this Scheme becoming finally effective, notwithstanding any other provisions of the Companies Act, 2013, in consideration of the transfer and vesting of the Undertaking in the Transferee Company in terms of the Scheme, the Shareholders of Transferor Company shall be deemed to have been allotted without any further application or deed, Equity Shares of Rs.10/- (Rs.Ten only) at a premium of Rs.34/- (Rs. Thirty Four) per share, credited as fully paid-up, to the extent indicated below (except, to the Transferee Company itself being the member of the Transferor Company, if any, and in such cases the shares held by the transferee company in the transferor company shall automatically cancelled and extinguished), or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferee Company in the following proportion:

"2 (Two) equity share of the face value of Rs. 10/- (Rs. Ten Only) each of Tulsi Amrit Private Limited credited as fully paid-up issued at Premium of Rs.34/- (Rs.Thirty Four) per share, for every 100 (Hundred) equity shares of the face value of Rs.100/- (Rs. Hundred only) each held in Transferor Company".

- 6.2 The Equity Shares so issued to the shareholders of Transferor Company shall rank paripassu with the existing shares of Transferee Company in all respects including, dividend which includes interim dividend.
- 6.3 The Transferee Company shall issue shares in physical form to all the eligible shareholders of the Transferor Company.
- 6.4 Upon Scheme being effective, the share certificates representing shares held by Transferee Company in the Transferor Company as provided in this Scheme shall stand automatically cancelled. Further, share certificates representing shares held by Transferor Company in each other if any shall also stand automatically cancelled.

All the Equity Shares to be issued by Transferee Company shall be subject to the Scheme and the Memorandum and Articles of Association of the Transferee Company.



- 6.6 On the Scheme becoming effective and as an integral part of the Scheme, the issued, subscribed and the paid-up share capital of Transferee Company shall stand suitably increased consequent on the issue of the Equity Shares of the Transferee Company. It is clarified that approval of this Scheme by the shareholders of Transferee Company shall be deemed to be the due compliance of the provisions of Section 62(1)(c) of the Companies Act, 2013 and the other relevant and applicable provisions of the Act for the issue and allotment of equity shares by Transferee Company to the shareholders of Transferor Company, as provided in this Scheme.
- 6.7 In the event of there being any pending share transfers, whether lodged or outstanding prior to or even subsequent to the Record Date, of any shareholder of the Transferor Company, the Board of Directors of Transferee Company shall be empowered but not bound in appropriate cases, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date and to take such decisions as may be necessary, in order to remove any difficulties arising to the Transferor Company or Transferee Company of equity shares in the Transferor Company, after the effectiveness of the Scheme.
- 6.8 Upon the Scheme becoming effective and the Order of the Hon'ble National Company Law Tribunal sanctioning the Scheme shall be deemed to be also the Order under section 66 of the said Act for the purpose of confirming the reduction in the share capital. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital and hence the provisions of section 66 of the said Act will not be applicable. Furthermore, the Transferee Company shall not be required to add the words "and reduced" as a suffix to its name consequent upon such reduction.
- 6.9 In case of any fraction of the shares of the Transferee Company on entitlement to the shareholders of the Transferor Company, the transferee Company shall pay the amount in cash of fractional entitlement as may be required as per the valuation report.

## 7. ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEE COMPANY:

On the Scheme becoming effective and with effect from the Appointed Date, Transferee Company shall account for the Merger and Amalgamation in its books as under:

- 7.1 The Merger and Amalgamation of the Transferor Company will be accounted for in the books of the Transferee Company by adoption of Purchase Method of accounting in accordance with the Accounting Standard-14/IND-AS as may be applicable, issued by the Institute of Chartered Accountants of India/MCA.
- 7.2 Upon coming into effect of this Scheme, all the assets and liabilities recorded in the books of the Transferor Company shall stand transferred to and vested in the Transferee Company and the Transferee Company shall record, all the assets and liabilities of the Transferor Company transferred to and vested in the Transferee Company pursuant to this Scheme, at their respective values as appearing in the books of the Transferor Company at the close of business on the day immediately preceding the Appointed Date.
- 7.3 The inter-company balances and investments, if any, appearing in the books of accounts of Transferee Company and the Transferor Company inter se, will stand cancelled and corresponding effect shall be given in the books of account and records of the Transferee Company.
- 7.4 Transferee Company shall credit to the Equity Share Capital account in its books of accounts, the aggregate face value of the Equity Shares issued and allotted under Clause 6.1 of the Scheme to shareholders of the Transferor Company.
- 7.5 Transferee Company shall credit to the Securities Premium Account in its books of accounts, the aggregate premium in respect of Equity Shares issued and allotted under Clause 6.1 of the Scheme to the shareholders of the Transferor Company.
- 7.6 The difference being the excess of the Net Assets Value of the Transferor Company transferred to and recorded by Transferee Company as per Clause 7.2 above and the aggregate of face value and securities premium in respect of Equity Shares allotted as per Clause 7.4 and 7.5 above, after considering the adjustments mentioned in Clause 7.2 & 7.3 above shall be credited to the amalgamation reserves/ Capital Reserve of Transferee Company. The shortfall, if any, shall be debited to Goodwill account of Transferee Company.

("Net Assets Value" shall be computed as the book value of assets less the value of liabilities, of the Transferor Company transferred to Transferee Company and recorded in Transferee Company in terms of Clause 7.2.)

If considered appropriate for the purpose of application of uniform accounting methods and policies between Transferor Company and Transferee Company may make suitable adjustments and reflect the effect thereof in the Amalgamation Reserves/ Capital Reserve or Goodwill account of Transferee Company, as the case may be.



7.9 On and from the Appointed Date and subject to any corrections and adjustments as may, in the opinion of the Board of Directors of the Transferee Company, be required, the reserves and the balance in the Profit and Loss Account of the Transferor Company will be merged with those of the Transferee Company in the same form as they appear in the financial statements of the Transferor Company;

7.10 In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the Merger and Amalgamation will be quantified and adjusted in the reserve of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

#### 8. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE:

8.1 Transferor Company shall carry on and be deemed to have been carrying on the business activities and shall stand possessed of and hold all of its properties and assets for and on account of and in trust for Transferee Company. Transferor Company hereby undertake to hold the said assets with utmost prudence and reasonable diligence until the Effective Date and they shall not, undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for themselves or on behalf of their subsidiaries or group companies or any third party; or sell, transfer, alienate, charge, mortgage or encumber or deal with the whole or part of any of the assets to be transferred pursuant to the Scheme, save and except in each case in the following circumstances:

8.1.1 if the same is in its ordinary course of business as carried out on the Appointed Date;

8.1.2 if the same is provided in this Scheme; or

8.1.3 if written consent of Transferee Company has been obtained.

8.2 With effect from the Appointed Date, all the profits or losses or income or expenditure accruing or arising to Transferor Company shall for all purposes and intents be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses (as the case may be) of Transferee Company;

8.3 Transferor Company shall not vary the terms and conditions of service of the employees or conclude settlements with unions or employees, except in the ordinary course of business or consistent with past practice or pursuant to any pre-existing obligation without the prior written consent of the Board of Directors of Transferee Company.

8.4 Transferee Company shall be eligible to apply for any approvals, sanctions, etc. which may be necessary for conduct of its business pending approval of the Scheme by the Hon'ble National Company Law Tribunal.

8.5 The Transferor Company and Transferee Company shall not make any change in their respective capital structure either by any increase (by issue of equity shares or shares on a rights basis, bonus shares, convertible debentures or any other form of convertible securities or otherwise), decrease, reduction, reclassification, sub-division or consolidation, re-organization, or in any other manner which may, in any way, affect or have the potential of affecting this Scheme except under any of the following circumstances:

8.5.1 by mutual consent of the respective Board of Directors of the Transferor Company and the Transferee Company; or

8.5.2 as may be provided under this Scheme.

8.6 The Transferor Company shall not, without the prior consent in writing of the Board of Directors of Transferee Company, undertake any new business or a substantial expansion of their existing businesses.

8.7 The Transferor Company shall carry on their business with reasonable diligence and shall not without the prior written consent of the Transferee Company alienate, charge or otherwise deal with or dispose of the Undertaking or any part thereof except in the ordinary course of their business;

8.8 All loans raised and utilized and all liabilities, duties and obligations incurred or undertaken and all encumbrances/ charges, securities, liens and mortgages, if any, created by any of the Transferor Company over their assets in order to secure the said loans, debts and liabilities on or after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken or created for and on behalf of Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of the Scheme and under the provisions of sections 230 to 232 of the Act, without any further instrument or deed be and stand transferred to and vested in and be deemed to have been transferred to and vested in Transferee Company and shall become the loans and liabilities





and obligations of Transferee Company which Transferee Company shall meet, discharge and satisfy the same. Provided however that no encumbrances shall have been created by the Transferor Company over their assets after the Appointed Date without the consent of the Transferee Company as provided for in this Scheme.

#### 9. DECLARATION OF DIVIDEND:

- 9.1 For the avoidance of doubt, it is hereby clarified that nothing in this Scheme shall prevent Transferor Company from declaring and paying dividends, whether interim or final, to its equity shareholders as on the Record Date for the purpose of any such dividend. However, on and from the date of filing of this Scheme with the Hon'ble National Company Law Tribunal and until the Effective Date, the Transferor Company shall declare a dividend only after prior written consent of the Board of Directors of Transferee Company.
- 9.2 It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and/or Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Board of Directors of the Transferor Company and Transferee Company and subject, wherever necessary, to the approval of the shareholders of the Transferor Company and Transferee Company, respectively.

#### 10. LEGAL PROCEEDINGS:

- 10.1 Upon coming into effect of this Scheme all suits, actions, claims and legal proceedings of whatsoever nature by or against Transferor Company pending and/or arising after the Appointed Date but before the Effective Date, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Merger and Amalgamation of the Undertaking or by anything contained in this Scheme but shall be continued and enforced by or against Transferee Company, as effectually and in the same manner and to the same extent as if the same had been originally instituted and/or pending and/or arising by or against the Transferee Company.
- 10.2 The Transferee Company will undertake to have all legal, judicial and other proceedings initiated and /or to be initiated after the Effective Date by and against the Transferor Company referred to sub-clause (10.1) above transferred to its name and to have the same continued, prosecuted and enforced by and against the Transferee Company. The Transferor Company and the Transferee Company shall make relevant applications in that behalf and the Transferor Company and the Transferee Company shall co-operate with each other in respect of any such legal or other proceedings.
- 10.3 On and from the Effective Date, all suits, actions, appeals, arbitrations and other judicial or quasi-judicial proceedings by or against each of the Transferor Company in relation to the provision or conduct of the business and pending or arising subsequent to the Appointed Date shall be continued, prosecuted and enforced by or against the Transferee Company as effectually as if the same had been filed by, pending and/or arising against Transferee Company.
- 10.4 On and from the Effective Date, the Transferee Company shall have the right to initiate, defend, compromise or otherwise deal with any legal proceedings relating to the Undertaking, in the same manner and to the same extent as would or might have been initiated by the Transferor Company as the case may be, had the Scheme not be made;

#### 11. CONTRACTS, DEEDS AND OTHER INSTRUMENTS, ETC.:

- 11.1 Until the Effective Date, the Transferor Company shall carry on the business activities in the ordinary course and shall not execute any material, extraordinary contract, liability or undertaking without the prior written consent of Transferee Company.
- 11.2 Notwithstanding anything to the contrary contained in the contract, deed, bond, agreement, arrangement or any other instrument of whatsoever nature to which the Transferor Company is a party or to the benefits of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, but subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date, without the requirement of any further action or deed on the part of the Transferor Company and/or Transferee Company, shall continue in full force and effect against or in favor of Transferee Company and may be enforced effectively by or against Transferee Company as fully and effectually as if, instead of Transferor Company, Transferee Company had been a party thereto.

Transferee Company, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, enter into, or



execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favor of any party to any contract or arrangement to which Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall be deemed to be authorized to execute any such writings on behalf of Transferor Company and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of Transferor Company. The Transferee Company shall enter into and/or issue and/or execute deeds, willing or confirmations or entered into tripartite arrangement, confirmation or novation to which the Transferor Company will, if necessary, also be a party in order to give formal effect this clause if so required or become necessary.

- 11.4 The security or charge created in relation to the existing loans and financial assistances of the Transferor Company, as on Effective Date, shall stand transferred to Transferee Company without any requirement to enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favor of any party to any contract or arrangement to which any of the Transferor Company is a party or any writings and the records of Registrar of Companies to be modified by filing INC-28 and if required, CHG-1 for modification of charge with Registrar of Companies. Transferee Company shall complete all formalities as may be directed by Hon'ble National Company Law Tribunal once the Scheme is operative.

## 12. SAVING OF CONCLUDED TRANSACTIONS:

The transfer of assets, properties and liabilities above and the continuance of proceedings by or against Transferee Company above shall not affect any transaction or proceedings already concluded in Transferor Company, on or after the Appointed Date till the Effective Date, to the end and intent that Transferee Company accepts and adopts all acts, deeds and things done and executed by Transferor Company, in respect thereto as done and executed on its behalf.

## 13. COMBINATION OF AUTHORISED CAPITAL:

- 13.1 Upon sanction of the scheme, the authorized share capital of Transferee Company shall stand increased without any further act, instrument or deed on the part of Transferee Company without payment of stamp duty and fees payable to Registrar of Companies, by the authorized share capital of Rs. 74,00,000 (Rupees Seventy Four Lakhs) comprising of 7,40,000 (Seven Lakh Forty Thousand) Equity Shares of Rs.10/- (Rs. Ten only) each and the Memorandum of Association and Articles of Association of Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, except by filing of Form SH-7 be and stand altered, modified and amended, and the consent of the shareholders of Transferee Company to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under the applicable provisions of the Act would be required to be separately passed, as the case may be and for this purpose the stamp duty and fees paid on the authorized capital of the Transferor Company shall be utilized and applied to the increased authorized share capital of Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee by Transferee Company for increase in the authorized share capital to that extent.

The capital clause being Clause V of the Memorandum of Association of the Transferee Company shall on the Effective Date stand substituted to read as follows:

*"The Authorised Share Capital of the Company is Rs. 74,00,000 (Seventy Four Lakhs only) divided into 7,40,000 (Seven Lakhs Forty Thousand) equity shares of Rs. 10/- (Rs. Ten only) each".*

- 13.2 It is hereby clarified that the consent of the shareholders of Transferee Company to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13, Section 14, Section 61 or any other applicable provisions of the Companies Act, 2013, would be required to be separately passed.

## 14. STAFF, WORKMEN & EMPLOYEES:

- 14.1 Upon the coming into effect of this Scheme, all employees of the Transferor Company and who are in such employment as on the Effective Date shall become the employees of Transferee Company from Appointed Date or their respective joining date, whichever is later and, subject to the provisions of this Scheme, on terms and conditions not less favorable than those subsisting on which they are engaged by Transferor Company as if they were in continuous service without any interruption of or break in service and on the terms and conditions as a result of the Merger and Amalgamation of the Transferor Company and all funds and benefits accumulated in respect of the staff, workmen and employees of the Transferor Company shall also be transferred to the Transferee Company. It is, however, clarified that the employees of the Transferor Company who become employees of the Transferee Company by virtue of this Scheme, shall also be entitled to the employment policies and shall be entitled to avail of any schemes and benefits that may be applicable and available to any of the employees of the Transferee Company.



Transferee Company or covering all or any of the employees of the Transferee Company. It is further clarified that after the Effective Date, the Transferee Company shall be entitled to vary the terms and conditions as to employment and remuneration of the employees of the Transferor Company not less than the same being available to them on the transferor company.

- 14.2 In so far as the existing provident fund, gratuity fund and pension and/or superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created by Transferor Company for its employees (collectively referred to as the "Funds"), the Funds and such of the investments made by the Funds being transferred to Transferee Company, in terms of the Scheme shall be transferred to Transferee Company and shall be held for their benefit pursuant to this Scheme in the manner provided hereinafter. The Funds shall, subject to the necessary approvals and permissions and at the discretion of Transferee Company, either be continued as separate funds of Transferee Company for the benefit of the employees of Transferor Company or be transferred to and merged with other similar funds of Transferee Company. In the event that Transferee Company does not have its own funds in respect of any of the above, Transferee Company may, subject to necessary approvals and permissions, continue to contribute to relevant funds of Transferor Company, until such time that Transferee Company creates its own fund, at which time the Funds and the investments and contributions pertaining to the employees of Transferor Company shall be transferred to the funds created by Transferee Company. Subject to the relevant law, rules and regulations applicable to the Funds, the Board of Directors or any committee thereof of Transferee Company may decide to continue to make the said contributions to the Funds of Transferor Company. It is clarified that the services of the employees of Transferor Company will be treated as having been continuous and not interrupted of the transferee company for the purpose of the said fund or funds.

**15. DISCLOSURE ABOUT THE EFFECT OF THE MERGER AND AMALGAMATION ON KEY MANAGERIAL PERSONNELS, DIRECTOR, PROMOTERS, NON PROMOTER MEMBERS, DEPOSITORS, CREDITORS, DEBENTUREHOLDERS.**

- 15.1 The Key Managerial personnel of the Transferee Company will continue to act, however, the transferor and transferee company are not having any key managerial personnel as such. Therefore there will be no effect on KMP of the Transferor and Transferee Companies;
- 15.2 All the directors of the transferee Company shall continue to act as a director of the transferee company and the Directors of the Transferor Company will be appointed as a directors in the transferee company on the effective date of the Scheme as may be required.
- 15.3 All the shareholders of the transferee and transferor company are classified and recognised as per their present status, therefore there will no change in their status as such.
- 15.4 The Transferee and the transferor company are not having any deposits, debentures, deposit trustees and debenture trustee as such, therefore there would be no impact on them of the Scheme.
- 15.5 All the secured and unsecured creditors of the transferor company if any will be transferred and taken over by the transferee company and there would be no change in their rights therefore there would be no impact on them of the Scheme.

**16. DISCLOSURE ABOUT EFFECT OF MERGER AND AMALGAMATION ON MATERIAL INTEREST OF DIRECTORS, KMPs, AND DEBENTURE TRUSTEES:**

There would be no effect of the Scheme of Merger and Amalgamation on the interest of the directors, as the transferor Company does not have any Key Managerial Personnel's and debenture trustees as such. However, if the directors of the transferor company who are not in the Board of directors of the Transferee they will be appointed as a director in the transferee company.

**17. TAX CREDITS:**

- 17.1 Transferee Company will be the successor of the Transferor Company. Hence, it will be deemed that the benefit of any tax credits whether central, state or local, availed by Transferor Company including Minimum Alternate Tax, Tax deduction at source on income of Transferor Company, obligation for tax deduction at source on any payment made by or to be made by the Transferor Company, and the obligations if any for payment of the tax on any assets of Transferor Company or their erection and/ or installation, etc. shall be deemed to have been availed by Transferee Company or as the case may be deemed to be the obligations of Transferee Company. Consequently, and as the Scheme does not contemplate removal of any asset by Transferee Company from the premises in which it is installed, no reversal of any tax credit needs to be made.

17.2 With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess payable/receivable by Transferor Company including all refunds/credit/claims relating thereto shall be treated as the asset/liability of Transferee Company, as the case may be, of Transferee Company.



- 17.3 Transferee Company is expressly permitted to revise its tax returns including tax deducted at source (TDS) certificates/ returns and to claim refunds, advance tax credits, excise and service tax credits, set off, etc., on the basis of the accounts of Transferor Company as vested with Transferee Company upon coming into effect of this Scheme, and its right to make such revisions in the related tax returns and related certificates, as applicable, and the right to claim refunds, adjustments, credits, set-offs, advance tax credits pursuant to the sanction of this Scheme and the Scheme becoming effective is expressly reserved.

#### 18. DISSOLUTION OF TRANSFEROR COMPANY:

On and from the Effective Date, the Transferor Company Nyati Pharma Private Limited shall stand dissolved without being wound up.

### PART C

#### 19. CONDITIONALITY OF THE SCHEME:

- 19.1 This Scheme is and shall be conditional upon and subject to:
- 19.1.1 The Scheme being approved by the requisite majority in number and value of such classes of persons including the respective members and/or creditors of Transferor Company and Transferee Company as may be directed by the Hon'ble National Company Law Tribunal.
- 19.1.2 The sanction of the National Company Law Tribunal or any other appropriate authority under Sections 230 to 232 of the Act in favor Transferor Company and Transferee Company under the said provisions and to the necessary Order under Section 230 of the Act being obtained;
- 19.1.3 Certified or authenticated copy of the Order of the Hon'ble National Company Law Tribunal sanctioning the Scheme being filed with the Registrar of Companies, Madhya Pradesh by Transferor Company and Transferee Company as may be applicable.

#### 20. APPLICATION TO NATIONAL COMPANY LAW TRIBUNAL OR ANY OTHER APPROPRIATE AUTHORITY:

Transferee Company and Transferor Company shall, as may be required, make all necessary Joint applications/petitions under Sections 230 to 232 of the Act and other applicable provisions of the Act to the National Company Law Tribunal or any other appropriate authority for sanction of this Scheme and all matters ancillary or incidental thereto.

#### 21. MODIFICATION OR AMENDMENTS TO THE SCHEME:

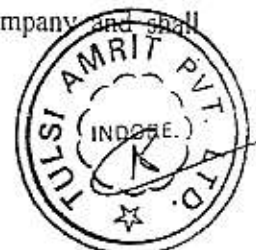
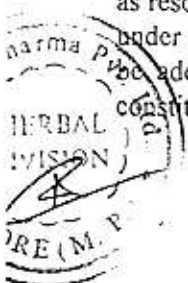
- 21.1 Transferor Company and Transferee Company by their respective Board of Directors or any duly authorized committee may make or consent to any modifications or amendments to the Scheme or to any conditions or limitations that the Tribunal/Court or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect.
- 21.2 Transferor Company and Transferee Company shall be at liberty to withdraw from this Scheme, in case of any condition or alteration imposed by the Hon'ble National Company Law Tribunal or any other authority or a.y bank or financial institution is unacceptable to them or otherwise if so mutually agreed.

#### 22. EFFECT OF NON-RECEIPT OF APPROVALS:

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

#### 23. VALIDITY OF EXISTING 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, shall continue to be valid and subsisting and be considered as resolutions of 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, under like resolutions passed by Transferee Company and shall constitute the aggregate of the said limits in Transferee Company.



#### 24. COSTS, CHARGES AND EXPENSES:

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of Transferor Company shall be borne by the Transferee Company. It shall also include all expenses incurred in connection with and implementing this Scheme and matters incidental thereto.

#### 25. APPROVAL OF THE SCHEME BY THE BOARD:

25.1 The aforesaid Scheme of Merger and Amalgamation was approved by the Board of directors of the transferee and the transferor company at their respective Board Meetings held on 5<sup>th</sup> Feb., 2018 and the Scheme was approved by the Board of directors of the transferee and the Transferor Company with the unanimous consent of all the director of the Company.

25.2 All the directors of the transferee and the Transferor Company have attended the meetings of the Board of Directors in which the Scheme was approved.

#### 26. SEVERABILITY:

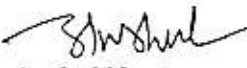
If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the mutual agreement of the Transferor Company and the Transferee Company, affect the validity or implementation of other parts and/or provisions of this Scheme.

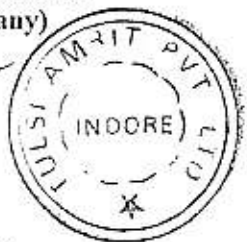
#### 27. DETAILS OF THE AVAILABILITY OF THE DOCUMENTS OF TRANSFEE AND TRANSFEROR COMPANY:

27.1 Members or Creditors of the Transferee Company and the Transferor company may obtain following documents or its extracts there from, or obtaining copies, or inspection of the same at the Registered Office of the Transferee company situated at Plot No 18 Sector- D Sanwer Road Industrial Estate Indore MP 452003 on all the working days from 9:30 AM To 5:30 PM which are as follows:-

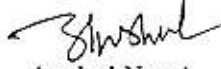
- 1) Latest Audited Financial Statements as at 31<sup>st</sup> March, 2017 of the companies and the Auditors report thereon;
- 2) Copy of the order of Tribunal in pursuance of which the meeting is to be convened or has been dispensed with if ordered by the Tribunal;
- 3) Copy of Scheme of Merger and Amalgamation;
- 4) Contracts or arrangements material to the Merger and Amalgamation;
- 5) The certificate issued by Auditor of the company to the effect that the accounting treatment, if any, proposed in the scheme of Merger and Amalgamation is in conformity with the Accounting Standards/IND AS;
- 6) The Valuation Report of the Chartered Accountants for shares and share exchange/ swap ratio;
- 7) List of the shareholders, secured and unsecured creditors;
- 8) Such other information or documents as the Board of Management believes necessary and relevant for making decision for or against the scheme.

For, Tulsi Amrit Pvt. Ltd.  
(Transferee Company)

  
Anshul Nyati  
Director  
DIN 00118119  
Place: Indore  
Date : 5<sup>th</sup> Feb., 2018



For, Nyati Pharma Pvt. Ltd.  
(Transferor Company)

  
Anshul Nyati  
Director  
DIN 00118119  
Place: Indore  
Date: 5<sup>th</sup> Feb., 2018

