

**SCHEME OF AMALGAMATION**  
**UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956**  
**BETWEEN**  
**VIRINCHI LIMITED**  
**(FORMERLY KNOWN AS VIRINCHI TECHNOLOGIES LIMITED)**  
**AND**  
**BRISTLECONE HOSPITALS PRIVATE LIMITED**  
**AND**  
**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

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**(A) PREAMBLE OF THE SCHEME**

This Scheme of Amalgamation is presented under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 and it provides for the Amalgamation of Bristlecone Hospitals Private Limited, hereinafter referred to as "Bristlecone" or "Transferor Company" into Virinchi Limited hereinafter refer to as "Virinchi" or "Transferee Company" and the consequent issue of equity shares by Virinchi to the Shareholders of Bristlecone as consideration for Amalgamation of Bristlecone into Virinchi. The Scheme also provides for various other matters consequential to or otherwise integrally connected with the above in the manner provided for in the Scheme.

**(B) DESCRIPTION OF THE COMPANIES**

M/s. "Virinchi Limited" (formerly known as Virinchi Technologies Limited) was originally incorporated as a Private Limited Company under the name and style "Virinchi Consultants Private Limited" on 13.03.1990 (Thirteenth day of March, One Thousand Nine Hundred and Ninety), in the erstwhile State of Andhra Pradesh (now state of Telangana), vide Certificate of Incorporation Number 01-11104 of 1989-90 issued by the Registrar of Companies. Subsequently, the Company converted itself into a Public Limited Company by following the due procedure as laid down under the provisions of the Companies Act, 1956 and the word "Private" was deleted from the name of the Company and consequent upon conversion, the Company obtained a Fresh Certificate of Incorporation from the Registrar of Companies on 01.02.2000 (First Day of February, Two Thousand). Subsequently the name of the Company was changed from 'Virinchi Consultants Limited' to 'Virinchi Technologies Limited' and consequent upon change of name, the Company obtained a Fresh Certificate of Incorporation from the Registrar of Companies, on 08.10.2003 (Eighth day of October, Two Thousand and Three) after complying with the relevant provisions under the Companies Act, 1956. Further, in the month of January, 2016, the name of the Company was once again changed from "Virinchi Technologies Limited" to 'Virinchi Limited' by deleting the word "Technologies" and consequent upon change of name, the



Company obtained a Fresh Certificate of Incorporation from the Registrar of Companies, on 12.01.2016 (Twelfth day of January, Two Thousand and Sixteen) after complying with the relevant provisions under the Companies Act, 2013. The Corporate Identification Number of the Company is L72200TG1990PLC011104. (Hereinafter referred to as the **Virinchi/Transferee Company** as the context may require”).

Virinchi is an IT Products & Services Company. Virinchi deploys IT as a tool to provide business solutions to clients across the domains of retail lending, health care, digital media and related large e-aggregation and e-distribution.

Virinchi is a Listed Company having its shares listed and traded on BSE Limited (formerly known as ‘Bombay Stock Exchange Ltd’). The Scrip code of the Company is 532372.

The Registered Office of Virinchi is situated at 10, SRK Colony, West Maredpally, Secunderabad-500026, Telangana.

The present main objects of Virinchi are as follows:

- a) To carry on the business of consultancy which includes aspects relating technical, financial marketing, personnel, computer software, computer hardware, material management production planning project management on turnkey bases, revival & rehabilitation study of sick units, security, environmental safety audits, portfolio management, investment analysis, sub brokerage, public issue management direct & indirect taxes, productivity appraisal, manpower planning & recruitment, executive development programmes, mergers & acquisitions, management information system and other aspects of general management.
- b) To carry on the business of computer consultancy including systems analysis and design installation of hardware development & marketing of all types of software maintenance data processing, training, acting as agents, distributors, consignees, dealers, representatives for foreign or local computer software, and hardware manufacturers.
- c) To carry on the business of research and development, design, production, creation, manufacturing, marketing, trading, providing, transferring exporting, importing, buying and selling all types of computer software technology including, applications software, development software, computer programs, algorithms, statements, source codes, packages etc., in areas like e-commerce, web page design and development, web enabled applications. Internet services, intranet, enterprise wide resource planning (ERP), data base management systems, operating systems, distributed computing, open systems, multi-media, computer aided designing (CAD), computer aided manufacturing (CAM), computer graphics, computer animation, document management systems, management information systems, bio informatics, mobile communication, mobile commerce and all such areas relevant to scientific, financial, industrial, telecommunications,



satellite communications, domestic, administrative, agricultural, medical and all other software technology applications.

- d) To establish and run business of electronic data processing, remote processing including call centres, medical transcription, content development, insurance claims processing, data conversion. Back office operations, depositing summary geographical information, systems, and to provide software technology consultancy, training placement, design and development of management information systems and to carry out techno economic feasibility studies of projects.
- e) To establish, maintain, conduct, provide, procure or make available services of every including commercial, statistical, financial, legal, healthcare, accountancy, management, educational, engineering, data processing, communication, entertainment, media, infrastructure , hospitality and other technological social or other services.
- f) To carry on the business as importer, exporter, buyer, lesser, and sellers of and dealers in all types of electronic components and equipment necessary for attaining the above objects.

The authorized, issued, subscribed and paid-up share capital of Virinchi as on 31<sup>st</sup>March, 2015, is as follows:

Share Capital	Amount in Rs.	Amount in Rs.
<b>Authorized Capital</b>		
2,50,00,000 Equity Shares of Rs. 10/- each		25,00,00,000
<b>Total</b>		<b>25,00,00,000</b>
<b>Issued, Subscribed and Paid-Up Capital</b>		
1,79,58,228 fully paid up Equity Shares of Rs. 10/- each	17,95,82,280	
Add: 27,822 Equity Shares of Rs. 10/- each (Re. 1 paid up)	27,822	17,96,10,102
<b>Total</b>		<b>17,96,10,102</b>

Subsequent to 31.03.2015 and till the date of approving of the resolution for the Scheme of Amalgamation by the Board of Directors of Virinchi, there has been no change in the capital structure of Virinchi.

**M/s. Bristlecone Hospitals Private Limited** is a Private Limited Company incorporated on 01.04.2009 (First day of April, Two Thousand and Nine) in the erstwhile state of Andhra Pradesh (now the state of Telangana), under the provisions of Companies Act, 1956, vide Corporate Identity No. U85110AP2009PTC063250 of 2009-10, issued by the Registrar of Companies, Andhra Pradesh. The present Corporate Identity Number (CIN) of the Company is U85110TG2009PTC063250. (Hereinafter referred to as the "Bristlecone/Transferor Company").



Bristlecone is a multi-specialty 180 bed hospital chain, with presence in two locations in Hyderabad (India) offering affordable and quality care to a large patient base. The hospital has high quality infrastructure across its Laminar Flow HEPA Filter Operation Theatres, full-fledged ICUs/ Dialysis/Casualty, In-patient wards, Lab, pharmacy & Radiology departments. The prominent panel of consultants of Bristlecone comprise several leading surgeons, physicians and super specialists of Hyderabad.

The Registered Office of Bristlecone is situated at Plot No. 3-4-136, Barkatpura, Hyderabad -500027, Telangana.

The present main objects of Bristlecone are as follows:

- a) To run, own, manage, administer diagnostic centers, scan centers, nursing homes, hospitals, clinics, dispensaries, maternity homes, child welfare and family planning centers, clinical pathological testing laboratories, X-ray and ECG clinics in India and services and allied services for the establishment operation and improvement of nursing homes, hospitals, clinics, medical institutions and medical centers and also offering of web based medical services and to encourage the discovery of new medical and or surgical management of diseases and to investigate and make known the nature and merits of investigations and findings and research in the said field relating to the results of any discovery, investigations, findings or researches and to acquire any process upon such terms as may seem expedient and to improve the same and to undertake the manufacture of any product developed, discovered or improved and also to carry out manufacturing, trading of medical devices.
- b) To carry out medical research by establishing and maintaining well equipped biological laboratories by engaging in the research and development of all fields of medical sciences and in the therapies of medical treatment so as to afford medical relief in a better way and to provide research facilities for carrying on research basic and applied in all systems and discipline of medical and surgical knowledge, keeping in view the socio medical and socio economic needs of the afflicted community and to set up colleges and chain of colleges in India and abroad, setting up of medical training institutions, nursing colleges, offering diploma courses, to medical and para medical students and setting up of laboratories and purchase, acquire any equipment and instruments required for carrying out medical research and to educate and train medical students, nurses midwives and hospital administrators.
- c) To provide, to encourage, initiate or promote facilities for the discovery, improvement or development of new methods of diagnosis understanding and treatment of diseases in a better way and to establish, provide and maintain diagnostic laboratories and equipments and to conduct all necessary tests and researches on all human beings and to carry on the profession of imaging for and on behalf of individuals, institutions, government and semi government bodies and to provide



relief to the public in all branches of medical sciences by all available means to acquire, establish and maintain one or more hospitals for the reception and treatment of persons suffering from illness or mental defects or for the reception and treatment of persons during convalescence or of persons requiring medical attention or rehabilitation for philanthropic purposes to the poor and to carry out medical tourism activities.

The authorized, issued, subscribed and paid-up share capital of Bristlecone as on 31<sup>st</sup> March, 2015, is as follows:

Share Capital	Amount in Rs.
<b>Authorized Capital</b>	
15,00,000 Equity Shares of Rs. 10/- each	1,50,00,000
<b>Total</b>	<b>1,50,00,000</b>
<b>Issued, Subscribed and Paid-Up Capital</b>	
15,00,000 Equity Shares of Rs. 10/- each	1,50,00,000
<b>Total</b>	<b>1,50,00,000</b>

Subsequent to 31.03.2015 and till the date of approving of the resolution for the Scheme of Amalgamation by the Board of Directors of Bristlecone, there has been no change in the capital structure of Bristlecone.

#### (C) RATIONALE, OBJECTIVE & PURPOSE OF THE SCHEME

1. Virinchi Limited (Virinchi) has transcended from being an information technology solution provider to a Business Solution provider in Retail lending, Healthcare & Life Sciences verticals in India while it continues to be Software Products & Services focussed Company, for the developed markets.
2. In order to actualize a part of this vision, Virinchi is in the process of setting up a Green Field super specialty hospital in a prime location in Hyderabad.
3. For the success of the Green Field project in the competitive environment of Hyderabad market, the Virinchi Board found it imperative to have deep relations with a battery of super specialist /Doctors, and a satisfied Patient pool and hence decided to approve the merger with Bristlecone Hospitals Private Limited (BCH), Hyderabad.

The amalgamation would give several head starts:

- Well trained 250 plus employees in Healthcare delivery Industry.
- Patient pool of over 65,000 satisfied out-patients with validated and sanitized electronic medical records.
- A track record of having completed 5000 plus successful in-patient surgeries.
- Immediate Elevation to a 'Chain of hospitals' status vis-à-vis a 'Single location Hospital'.
- Relationships with several hundreds of Senior Surgeons and Physicians across 30 plus medical specialities.



- Strong Relations with Large and Medium Pharma enterprises with multiple pharmacies in operation.
  - Well-oiled medical systems and health care delivery processes.
  - Relations with over 100 health Insurance providers, state government insurance, CGHS, Arogyasree.
  - NABH accreditation in near future as BCH Hayathnagar has completed satisfactory pre-assessment for NABH certification.
  - Economies of scale on branding advertisement and marketing.
  - 1000 plus Physician referral pool.
  - Long standing relations with health care industry vendors and service providers.
4. With the proposed merger of BCH with Virinchi, Virinchi will become a conglomerate with interests in healthcare and information technology, enhancing the value of Virinchi shareholders.

**(D) SCOPE OF THE SCHEME**

The Scheme of Amalgamation provides for:

1. Amalgamation of Bristlecone into Virinchi.
2. Consequent issue of equity shares by Virinchi to the shareholders of Bristlecone pursuant to the provisions of sections 391 to 394 and other relevant provisions of the Companies Act, 1956 and/or Companies Act, 2013.
3. Various other matters consequential to or otherwise integrally connected with the above in the manner provided for in the Scheme.
4. 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 properties of Bristlecone, immediately before the amalgamation, become the properties of Virinchi by virtue of amalgamation.
  - (b) All the liabilities of Bristlecone, immediately before the amalgamation, become the liabilities of Virinchi by virtue of amalgamation.
  - (c) Shareholders holding not less than nine-tenths in value of the shares in Bristlecone, become the shareholders of Virinchi by virtue of amalgamation.

**(E) PARTS OF THE SCHEME:**

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

**PART A:** Deals with Definitions, Effective and Operative Dates.



**PARTB:** Deals with Amalgamation of "Bristlecone" (Transferor Company) into "Virinchi" (Transferee Company).

**PARTC:** Deals with General Terms and Conditions.

## PART A

### DEFINITIONS, EFFECTIVE AND OPERATIVE DATES

#### 1. DEFINITIONS

- 1.1 "Act" or "the Act" means the Companies Act, 1956 or as the case may be, the Companies Act, 2013 (to the extent applicable) and every 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 "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.
- 1.3 "Amalgamation" means the blending of Bristlecone into Virinchi and the substantial shareholders of Bristlecone becoming, the shareholders of Virinchi.
- 1.4 "Amalgamating Undertaking" shall mean:
- All the assets and properties of Bristlecone as on the Appointed Date.
  - All the secured and unsecured debts, liabilities, whether short term or long term contingent liabilities or duties and obligations of Bristlecone as on the Appointed Date.
  - Without prejudice to the generality of sub clause (a) above, the Undertaking of Bristlecone shall include all the assets and properties, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but not limited to land and building, all fixed and movable plant and machinery, vehicles, fixed assets, plant and machinery, hospital equipments, current assets, investments, 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, track record, 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 and lease arrangements, lease hold rights, lending arrangements, benefits of



security arrangements, computers, insurance policies, office equipment, telephones, telexes, facsimile connections, communication facilities, equipment and installations and utilities, electricity, water and other service connections, contracts and arrangements, powers, authorities, permits, allotments, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits, reserves, preliminary expenses, benefit of deferred revenue expenditure, provisions, advances, receivables, deposits, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, 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, etc.), and other claims and powers, all books of accounts, documents and records of whatsoever nature and where so ever situated belonging to or in the possession of or granted in favour of or enjoyed by Bristlecone, as on the Appointed Date.

- d) All statutory licenses, approvals, permissions, no-objection certificates, permits, consents, patents, trademarks, tenancies, offices, depots, quotas, rights, entitlements, privileges, benefits of all contracts / agreements / leases (including, but not limited to, contracts / agreements with vendors, customers, government etc.), all other rights (including, but not limited to, right to use and avail electricity connections, water connections, environmental clearances, telephone connections, facsimile connections, telexes, e-mail, internet, leased line connections and installations, lease rights, easements, powers and facilities), of Bristlecone as on the Appointed Date.
- e) All staff, workmen, and employees engaged in Bristlecone.
- f) All records, files, papers, information, computer programs, manuals, data, catalogues, quotations, advertising materials, lists of present and former patients/customers and suppliers, customer credit information, customer pricing information and other records, whether in physical form or electronic form of Bristlecone.

1.5 "Appointed date" means 01.04.2016 (First day of April , Two Thousand and Sixteen) or such other date as may be approved by the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and for the State of Andhra Pradesh or such other appropriate authority.

1.6 "Board of Directors" or "Board" in relation to Virinchi and Bristlecone, as the case may be, shall, unless it be repugnant to the context or otherwise, includes a Committee of Directors or any person authorized by the Board of Directors or such Committee of Directors.

1.7 "Court" or "High Court" means the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and for the State of Andhra Pradesh or the National Company Law Tribunal (NCLT) or such other tribunal or authority having jurisdictions to sanction the Scheme.



- 1.8 "Effective Date" means the date on which the certified copies of the order passed by the Court sanctioning the Scheme are filed with the Registrar of Companies of Hyderabad, Telangana and Andhra Pradesh and if the certified copies are filed on different dates the last of such dates. Any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" or "Scheme coming into effect" shall mean the "Effective Date".
- 1.9 "Record Date" means the day immediately preceding the effective date for the purpose of determining the shareholders to whom the new shares of the Transferee Company shall be issued and allotted pursuant to the provisions of this Scheme.
- 1.10 "Registrar of Companies" means the Registrar of Companies at Hyderabad for the State of Telangana and Andhra Pradesh.
- 1.11 "Scheme of Amalgamation" or "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Amalgamation in its present form or with any modifications, imposed or approved or directed by the Board of Directors of Virinchi and / or Bristlecone, or by the members or creditors of the Companies involved and /or DSE/SEBI/High Court /NCLT or any other appropriate authority.
- 1.12 "SEBI" means the Securities and Exchange Board of India.
- 1.13 "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.
- 1.14 "Stock Exchange" means the BSE Limited on which the equity shares of Virinchi are listed and traded. The Designated Stock Exchange (DSE), for the purpose of coordinating with SEBI in relation to obtaining the in-principle approval to the Scheme, shall be BSE Limited.
- 1.15 "Transferee Company" means Virinchi Limited (Virinchi) incorporated under the provisions of the Companies Act, 1956, bearing CIN: L72200TG1990PLC011104 and having Registered Office situated at 10, SRK Colony, West Maredpally, Secunderabad-500026, Telangana.
- 1.16 "Transferor Company" means Bristlecone Hospitals Private Limited (Bristlecone), incorporated under the provisions of the Companies Act, 1956, bearing CIN: U85110TG2009PTC063250 and having its registered office situated at Plot No. 3-4-136, Barkatpura, Hyderabad -500027.

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



## 2. EFFECTIVE DATE AND OPERATIVE DATE

The Scheme set out herein in its present form is subject to any modification(s) approved or imposed or directed by the Board of Directors of Virinchi and/ or Bristlecone, or by the members or creditors of the Companies involved and/or DSE/SEBI/High Court/NCLT or any other appropriate authority, unless otherwise specified in the Scheme, shall be operative from the Appointed Date but shall be effective from the Effective Date.

### PART B

#### AMALGAMATION OF "BRISTLECONE" (TRANSFEROR COMPANY) INTO "VIRINCHI" (TRANSFEEE COMPANY)

##### SECTION 1: TRANSFER & VESTING OF AMALGAMATING UNDERTAKING

### 3. Transfer of assets, properties, estates, claims, refunds, debts, duties, liabilities, obligations etc.,

3.1 Subject to the provisions of this Scheme as specified herein and with effect from the Appointed Date, the entire Amalgamating Undertaking of the Transferor Company shall be transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company in the following manner:

- a) The Amalgamating Undertaking of the Transferor Company comprising of business, all assets and liabilities of whatsoever nature and where-so-ever situated, shall, under the provisions of Sections 391 to 394 of the Act and all other applicable provisions, if any, of the Act, without any further act or deed (save as provided in sub clauses (b) (c) and (d) below) be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the Undertaking of the Transferee Company and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Company therein.
- b) All the Immovable properties of the Transferor Company shall under the provisions of Sections 391 to 394 of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date the Properties of the Transferee Company.
- c) All the movable assets including but not limited to computers, medical, diagnostic instruments and equipments, office equipments, machineries, T.V. sets, cameras, software, IPRs, products, websites, portals, inventories, merchandising rights, cash in hand, loans and advances, of the Transferor Company capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, to the Transferee Company.
- d) In respect of movables other than those specified in sub clause (c) 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, 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 under the provisions of Sections 391 to 394 of the Act.

- e) In relation to all licenses, permissions, approvals, consents, entitlements, sanctions, permits, benefits, privileges pertaining to the drug, medical, diagnostic and pharma industry (whether proprietary or otherwise), rights, privileges and licenses including rights arising from contracts, deeds, licenses instruments and agreements, if any, belonging to the Transferor Company, which require separate documents of transfer including documents for attornment or endorsement, as the case may be, the Transferee Company will execute the necessary documents of transfer including documents for attornment or endorsement, as the case maybe, as and when required.
- f) All secured and/or unsecured debts, all liabilities, duties and obligations of every kind, nature, description, whether or not provided for in the books of account and whether disclosed or undisclosed in the balance sheet of the Transferor Company shall also, under the provisions of Sections 391 to 394 of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date the debts, liabilities, duties and obligations of the Transferee Company 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.

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 relating to 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;
- g) In so far as the 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, the same shall vest with and be available to the Transferee Company on the same terms and conditions.
- 32 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, to implement and carry out all formalities and compliances, if required, referred to above.



- 33 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, upon the scheme being sanctioned by the Hon'ble High Court at Hyderabad and becoming effective, 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.
- 34 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.
- 35 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.
- 36 On or after the Effective Date, all rights, entitlements and powers to revise returns and filings of the Transferor Company under the Income-tax Act, 1961, service tax laws and other laws, and to claim refunds and / or credits for taxes paid, etc. and for matters incidental thereto, shall be available to, and vest with the Transferee Company.
- 37 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.

- 38 All the tax payments (including, without limitation payments under the Income-Tax Act, 1961 Service Tax law, and other laws) whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Further, any tax



deducted at source by Transferor Company on transactions with the Transferee Company, if any (from Appointed Date till Effective Date) shall be deemed to be advance taxes paid by the Transferee Company and shall, in all proceedings be dealt with accordingly.

- 3.9 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.
- 3.10 This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) of the Income-tax Act, 1961. 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 resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section of the Income-Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income-tax Act, 1961.

#### 4. Legal Proceedings

- 4.1 Upon the Scheme becoming effective, all legal and other proceedings, including before any statutory or quasi-judicial authority or tribunal of whatsoever nature, if any, by or against the Transferor Company pending and/or arising at the Appointed Date, shall be continued and enforced by or against the Transferee Company only, to the exclusion of the Transferor Company in the manner and to the same extent as it would have been continued and enforced by or against the Transferor Company. On and from the Effective Date, the Transferee Company shall and may, if required, initiate any legal proceedings in relation to the Transferor Company in the same manner and to the same extent as it would or might have been initiated by the Transferor Company.
- 4.2 After the Appointed Date, if any proceedings are taken against the Transferor Company the same shall be defended by and at the cost of the Transferee Company.

#### 5. Contracts, deeds and other instruments

Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, 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 a party and which have not lapsed and are subsisting or having effect on the Effective Date shall be in full force, and be effective against or in favour of the Transferee Company, as



the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto. The Transferee Company may enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite restructurings, confirmations or novations, 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

The transfer of Amalgamating Undertaking under clause 3 above and the continuation of proceedings by or against the Transferee Company under clause 4 above and the effectiveness of the contracts and deeds under clause 5 shall not affect any transactions and 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 intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

#### 7. Staff, workmen and employees

- 7.1 On the Scheme coming into effect, all staff, workmen and employees of the Transferor Company in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Transferee Company with effect from the Effective Date without any break in their service and the terms and conditions of their employment with the Transferee Company shall not be less favourable than those applicable to them with reference to the Transferor Company on the Effective Date.
- 7.2 It is expressly provided that, in so far as the Gratuity Fund, Provident Fund, Super Annuation 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, Superannuation 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. **Clubbing of authorized share capital of Transferor Company with the authorized share capital of Transferee Company**
- 8.1 Upon this Scheme becoming effective, the authorized share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to Registrar of Companies, by the authorized share capital of the Transferor Company amounting to Rs. 1,50,00,000/- (Rupees One Crore and Fifty Lakhs only) divided into 15,00,000 (Fifteen Lakhs) equity shares of Rs. 10/- (Rupees Ten only) each and the Memorandum of Association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under sections 13, 61, 64 of the Companies Act, 2013 and 394 and other applicable provisions of the Companies Act, 1956, as the case may be, would be required to be separately passed, and for this purpose, the stamp duty and fees paid on the authorized share capital of the Transferor Company shall be utilized and applied to the increased authorized share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee by the Transferee Company for increase in the authorized share capital to that extent.
- 8.2 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 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.
- 8.3 Further, if required, the Transferee Company shall take necessary steps to further increase and alter its Authorized Share Capital suitably to enable it to issue and allot the Equity Shares required to be issued and allotted by it to the shareholders of the Transferor Company in terms of this Scheme.

**SECTION 2: CONDUCT OF BUSINESS**

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



- 9.1 The Transferor Company shall carry on and be deemed to have carried on its business and activities and shall stand possessed of Amalgamating Undertaking, in trust for the Transferee Company and shall account for the same to the Transferee Company.
- 9.2 Any income or profit accruing or arising to the Transferor Company and all costs, charges, expenses and losses or taxes incurred by the Transferor Company shall for all purposes be treated as the income, profits, costs, charges, expenses and losses or 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.
- 9.3 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.
- 9.4 The Transferor Company shall carry on its business with reasonable diligence and in the same manner as it had been doing hitherto and the Transferor Company shall not alter or substantially expand its business except with the written concurrence of the Transferee Company.
- 9.5 With effect from the Effective Date, the Transferee Company shall suitably integrate the business being carried on by the Transferor Company into its business.
- 9.6 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the central government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to own and carry on the business of the Transferor Company.

**SECTION 3: ISSUANCE OF SHARES BY THE TRANSFEREE COMPANY**

10. The Provisions of this section shall operate notwithstanding anything to the contrary in any other instrument, deed or writing.
- 10.1 Upon the Scheme finally coming into effect and in consideration of transfer and vesting of the Amalgamating Undertaking of the Transferor Company to the Transferee Company in terms of provisions of the Scheme, the Transferee Company shall, without any further application or deed, issue and allot Equity Share(s) to the members of the Transferor Company whose names appear in the Register of members as on Record Date, in the following ratio:
- “571 (Five Hundred and Seventy One) equity shares in the Transferee Company of the face value of Rs. 10/- (Rupees Ten only) each credited as fully paid-up for every 100 (One Hundred) equity shares of Rs.10/- (Rupees Ten only) each fully paid-up held by such member in the Transferor Company.”
- 10.2 The Audit Committee of the Transferee Company has taken into account the recommendations on the Share Exchange Ratio by M. Anandam & Co., acting as independent chartered accountants, and



the fairness opinion provided by Mark Corporate Advisors Private Limited, acting as the independent merchant banker. On the basis of their evaluation and its own independent judgment, the Audit Committee has recommended the Scheme, including the Share Exchange Ratio to the Board of Directors of the Transferee Company.

- 10.3 The Board of Directors of the Transferee Company have taken into account the independent recommendations of the Audit Committee.
- 10.4 The Board of Directors of the Transferee Company and the Transferor Company have taken into account the recommendations of the Share Exchange Ratio by M. Anandam & Co.
- 10.5 The Board of Directors of the Transferee Company have also taken into account the fairness opinion provided by Mark Corporate Advisors Private Limited in relation to the Share Exchange Ratio.
- 10.6 The Board of Directors of the Transferee Company and the Transferor Company based on the aforesaid advice/ opinions and on the basis of their independent judgment and evaluation have come to the conclusion that the Share Exchange Ratio is fair and reasonable and have approved the same at their respective meeting held on 27<sup>th</sup> Day of January, 2016.
- 10.7 The shares issued to the members of the Transferor Company by the Transferee Company pursuant to sub-clause 10.1 above shall be issued in dematerialized form only by the Transferee Company.
- 10.8 The Equity Shares to be issued in terms of this clause shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company. The new Equity Shares shall rank pari-passu in all respects, including dividend, with the existing Equity Shares of the Transferee Company.
- 10.9 The members of the Transferee Company, on approval of the Scheme, shall be deemed to have given their approval under section 62 and other applicable provisions of the Companies Act, 2013, for issue of fresh equity shares to the members of the Transferor Company and the Transferee Company will not be required to pass any further resolution for issue and allotment of shares to the Shareholders of the Transferor Company.
- 10.10 All the equity shares issued pursuant to this Scheme to the members of the Transferor Company shall be listed and/or admitted to trading on the BSE Limited, in accordance with applicable laws.
- 10.11 In case any shareholder's holding in the Transferor Company is such that the shareholder becomes entitled to a fraction of an equity share of the Transferee Company, the Transferee Company shall not issue fractional shares to such shareholder but shall round off the Fractional Share, if any, that may arise due to the implementation of clause 10.1 of the Scheme, to the nearest Integer.



10.12 Upon this Scheme coming into effect, the shareholders of the Transferor Company shall surrender their share certificates pertaining to the Transferor Company for cancellation thereof to the Transferee Company. Further, notwithstanding anything to the contrary, upon the new shares in the Transferee Company being issued and allotted by it to the eligible shareholders of the Transferor Company whose names appear on the Register of Members of the Transferor Company as on the Record Date, the share certificates in relation to the shares held by them in the Transferor Company shall be deemed to have been cancelled and shall be of no effect on and from such Record Date.

**SECTION 4: ACCOUNTING TREATMENT**

11. Accounting Treatment in the Books of the Transferee Company:

11.1 Upon the Scheme becoming effective, the Transferee Company shall record the assets and liabilities of the Transferor Company transferred to the Transferee Company pursuant to this Scheme and account for the amalgamation of the Transferor Company pursuant to this Scheme in accordance with Accounting Standard -14 as notified by the Companies (Accounting Standards) Rules, 2006, as amended from time to time.

11.2 The Transferee Company shall record the issuance of shares to the members of the Transferor Company at fair value as determined in the valuation report given by the independent valuer and accordingly credit to its share capital account the aggregate face value of the equity shares issued pursuant to this Scheme. The excess, if any, of the fair value of the equity shares over the face value of the equity shares so issued shall be credited to the Securities Premium Account of the Transferee Company.

11.3 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.

11.4 In case of any differences in accounting policy between the Transferor Company and Transferee Company, the accounting policies followed by Transferee Company will prevail and the difference till the Appointed Date will be quantified and adjusted against Profit and Loss Account, to ensure that the financial statements of Transferee Company reflect the financial position on the basis of consistent accounting policy.

11.5 Notwithstanding the above, the Transferee Company in consultation with its Auditors, is authorized to account for any of this balances in any manner, whatsoever if considered appropriate.



## 12. Dissolution of the Transferor Company

On the Scheme coming into effect, the Transferor Company (i.e. Bristlecone Hospitals Private Limited) shall, without any further act or deed, stand dissolved without going through the process of winding up.

### PART C

#### GENERAL TERMS AND CONDITIONS

## 13. Impact of the Scheme on creditors

This Scheme of Amalgamation, if approved by the appropriate authorities and the Court, shall not have any adverse impact on the Creditors whether secured or unsecured, of Virinchi and / or Bristlecone.

## 14. Dividends

14.1 Nothing contained in this Scheme shall be construed as restricting or restraining any of the Companies from being entitled to declare and pay dividends, whether interim or final, to their respective equity shareholders, whether during the pendency of the Scheme or otherwise.

14.2 The holders of the Equity Shares of respective Companies shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under the Articles of Association of the respective Companies concerned including the right to receive dividends.

14.3 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of any Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the Boards of Directors of the respective Companies and subject to the approval of the shareholders of the respective Companies.

## 15. Filing of applications/petitions with the Court

Virinchi and Bristlecone shall, with all reasonable diligence, make and file all necessary applications, affidavits, petitions etc., before the Hon'ble High Court/NCLT/any other competent authority having jurisdiction over the Scheme, as the case may be, for the obtaining the sanction to this Scheme of Amalgamation under Sections 391 and 394 of the Act and each of them shall apply for all necessary approvals as may be required under law.

## 16. Modification of Scheme

16.1 Virinchi and Bristlecone by their respective Board of Directors or any Committee thereof or any Director authorized in that behalf (hereinafter referred to as the "Delegate") may assent to, or make, from time to time, any modifications or amendments or additions to this Scheme which the Court or any appropriate authority (ies) under law may deem fit to approve or impose and which Virinchi and Bristlecone may in their discretion accept or such modifications or amendments or additions as



Virinchi and Bristlecone or as the case may be, their respective Delegate may deem fit, or required for the purpose of resolving any doubts or difficulties that may arise for carrying out this Scheme, and Virinchi and Bristlecone by their respective Boards of Directors or Delegate are hereby authorized to do, perform and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, 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. In the event that any conditions may be imposed by the Court or any authorities, which Virinchi and Bristlecone find unacceptable for any reason, then Virinchi and Bristlecone shall be at liberty to withdraw the Scheme. The aforesaid powers of Virinchi and Bristlecone may be exercised by their respective Delegates.

**16.2** For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Delegates (acting jointly) of Virinchi and Bristlecone may give such directions as they may consider necessary to settle any question or difficulty arising under this Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders, depositors of the respective Companies), or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those conditions (to the extent permissible under law).

#### **17. Scheme Conditional Upon**

**17.1** This Scheme is conditional upon and subject to:

- a) The Scheme being approved by a shareholders resolution of Virinchi passed by way of postal ballot and e-voting, provided that the Scheme shall be acted upon only if the votes cast by the public shareholders in favor of the proposal are more than the number of votes cast by the public shareholders against it.
- b) It being agreed to by the respective requisite majorities of members of Virinchi and Bristlecone as required under the Act and the requisite orders of the Court being obtained.
- c) It being agreed to by the respective requisite majorities of creditors and the various classes of creditors (wherever applicable) of the Virinchi and Bristlecone as required under the Act and the requisite orders of the Court being obtained.
- d) In-principle approval / Observation Letter from the Stock Exchange.
- e) The requisite sanctions and approvals, as may be required by law in respect of this Scheme being obtained; and



- f) The certified copies of the orders of the Court sanctioning this Scheme being filed with the Registrar of Companies.

17.2 In the event of notification of provisions pertaining to the compromise and arrangements under the Companies Act, 2013, and upon the notification of the provisions of Section 434 of the Companies Act, 2013, in the Official Gazette, by the Central Government, during the pendency of the Scheme at any stage, the Scheme shall be governed and administered in accordance with the notification issued by the Central Government in that regard and the relevant applicable provisions of the Companies Act, 2013. It is clarified that upon such notification proceedings pending in respect of the Scheme before the High Court shall be transferred and continued without there being any requirement or necessity of approving the Scheme or filing of applications/petitions afresh by the respective Boards.

17.3 In the event of this Scheme failing to take effect before 31<sup>st</sup> day of March, 2018, or such later date as may be agreed by the respective Boards of Directors of Virinchi and Bristlecone, this Scheme shall stand revoked, cancelled and be of no effect and become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter-se by the Companies or their shareholders or creditors or employees or any other person. In such case, both the Companies shall bear its own costs, charges and expenses or shall bear costs, charges and expenses as may be mutually agreed.

#### 18. Effect of non-receipt of approvals

In the event of any of the said sanctions and approvals referred to in clause 17 above not being obtained (unless otherwise decided by the Board of Directors) and / or the Scheme not being sanctioned by the Court or such other competent authority as aforesaid, 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 rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

#### 19. Severability

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

#### 20. Costs, charges, etc.

All costs, charges, levies and expenses (including stamp duty) in relation to or in connection with or incidental to this Scheme or the implementation thereof shall be borne and paid by Virinchi.

