

SCHEME OF ARRANGEMENT

BETWEEN

SURYA MOTHER AND CHILD CARE JAIPUR PRIVATE LIMITED
 ("Demerged Company")

AND

SURYA CHILDREN'S MEDICARE PRIVATE LIMITED
 ("Resulting Company")

AND

THEIR RESPECTIVE SHAREHOLDERS

**UNDER SECTION 230 TO 232, 66 AND OTHER APPLICABLE PROVISIONS
 OF THE COMPANIES ACT, 2013**

PREAMBLE

This composite Scheme of Arrangement ('Scheme' or 'Scheme of Arrangement') (more particularly described hereinafter) is presented under the Sections 230 to 232, 66 and other relevant provisions of the Companies Act, 2013 and rules framed thereunder provides for demerger of 'Hospital Undertaking' of Surya Mother and Child Care Jaipur Private Limited into Surya Children's Medicare Private Limited and the adjustment / reduction in Securities Premium Account in the books of Surya Children's Medicare Private Limited.

This Scheme is divided into following parts, dealing with:

Part I	Background and Rationale for the Scheme of Arrangement
Part II	Definitions and Share Capital of the Companies
Part III	Demerger of Hospital Undertaking of Surya Mother and Child Care Jaipur Private Limited as a going concern for transfer and vesting into Surya Children's Medicare Private Limited and the adjustment / reduction of Securities Premium Account in the books of Surya Children's Medicare Private Limited
Part IV	General terms and conditions applicable to the Scheme

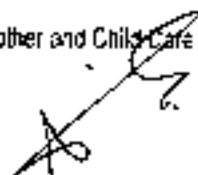
PART-I

1. BACKGROUND AND RATIONALE FOR THE SCHEME OF ARRANGEMENT

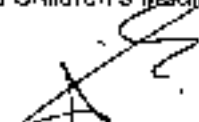
- 1.1. The Demerged Company is in the business of providing healthcare services. The company has a mother and child care-speciality hospital and also operates Pharmacy and Diagnostic center in Jaipur, Rajasthan.
- 1.2. The Resulting Company and its subsidiaries (including Demerged Company) are also engaged in the similar business as Demerged Company and specifically in tertiary care hospitals, providing neonatal intensive care and pediatric healthcare services for children. It offers pediatric outpatient services for patients with asthma, epilepsy, orthopedics, ophthalmology, neurology, hematology, dentistry, allergies and psychological disorders, inpatient services, including neonatal intensive care unit (NICU), PICU, IVF, pediatric surgery and pediatric

For Surya Mother and Child Care Jaipur Private Limited,

For Surya Children's Medicare Private Limited



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 Chief Financial Officer

nephrology, ICU for babies, diagnostic services, pediatric endocrinology services and neurophysiology services.

1.3. The Scheme shall inter-alia have the following benefits:

- 1.3.1. Demerger will result in combination of the hospital businesses, resources, activities, operations under a single unified entity facilitating optimum utilization of assets and other resources for future growth and achieve economies of scale including optimization on compliance costs.
- 1.3.2. Consolidation pursuant to demerger to optimize utilization of financial resources for similar businesses and reduce inter-company costs and inter-company transactions.
- 1.3.3. Demerged entity to emerge stronger financially resulting in aggregation of business and improved financial leverage and solvency for Demerged Company
- 1.3.4. Ring fencing the specific risks and rewards involved in each business.
- 1.3.5. Enabling better and more efficient management, control and running of each of the business.
- 1.3.6. Scaling up and pursuing growth opportunities in a more focused manner in Demerged Company as well as Resulting Company.

1.4. The shareholders and the management of the Companies believe that the Scheme will enhance value for all the stakeholders and allow a focused strategy and specialisation for sustained growth in each company.

In view of the aforesaid, the Board of Directors of the respective Companies have formulated, considered and proposed this Scheme.

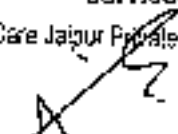
PART- II

2. DEFINITIONS

In this Scheme, unless repugnant to or inconsistent with the subject or context thereof, the following expression shall have the following meaning:

- 2.1. "**Applicable Law**" means any applicable statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, 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.
- 2.2. "**Act**" means the Companies Act, 2013 including any rules, regulations, orders and notifications made thereunder or any statutory modification, re-enactment or amendments thereof for the time being in force.
- 2.3. "**Appointed Date**" means opening business hours of 1st April, 2021.
- 2.4. "**Board of Director(s)**" or "**Board**" means the board of director(s) of the Company (ies), as the context may require and shall include a duly constituted committee thereof, if any.
- 2.5. "**Demerged Undertaking**" or "**Hospital Undertaking**" means the business of running hospitals, providing neonatal intensive care and pediatric healthcare services for children. It offers pediatric outpatient services for patients with asthma, epilepsy, orthopedics, ophthalmology,

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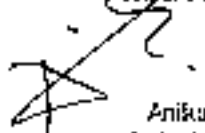

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neurology, hematology, dentistry, allergies and psychological disorders, inpatient services, including neonatal intensive care unit (NICU), PICU, IVF, pediatric surgery and pediatric nephrology, ICU for babies, pediatric endocrinology services and neurophysiology services of whatsoever nature and kind, and wheresoever situated, of the Demerged Company, in relation to and pertaining to the specific Demerged Undertaking of the Demerged Company, as on the Appointed Date, which is proposed to be demerged in the Resulting Company on a going concern basis and shall include (without limitation):

- 2.5.1. All assets being movable or immovable, tangible or intangible, intellectual property rights, quoted and unquoted investments in securities, in possession or reversion, receivables and security receipts, all cash and bank balances, benefits of all agreements, current assets relating to such Demerged Undertaking, other assets including any tenancy rights, licenses whether recorded in books or not and all other facilities all permissions, registration, licenses, approvals, consents, and sanctions in connection with or relating to the Demerged Undertaking, owned or possessed by the Demerged Company;
- 2.5.2. All the allocated debts, liabilities, duties, obligations and guarantees of the Demerged Undertaking;
- 2.5.3. Without prejudice to the generality of sub-clauses 2.5.1 and 2.5.2 above, the Demerged Undertaking, shall also include movable and immovable properties, if any, including authorities, allotments, registrations, licenses, approvals and consents, contracts, engagements, agreements, arrangements, titles, interest, benefits, tenancy rights, authorizations, quota rights, registered and unregistered trademarks, softwares, earnest money and /or security deposits, 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, if any, and approvals and all books of accounts, documents, records and all other assets relating to the Demerged Undertaking as identified and approved by the Board.
- 2.5.4. Employees (if any) engaged by the Demerged Company with respect to Demerged Undertaking; and
- 2.5.5. For the purpose of this Scheme, it is clarified that liabilities pertaining to the Demerged Undertaking shall include:
 - i. Liabilities which directly and specifically arise out of the activities or operations of the Demerged Undertaking; and
 - ii. Liabilities other than those referred to in (i) above, i.e. the amounts of general or multi-purpose borrowings, if any, of the Demerged Company allocated to the Demerged Undertaking in proportion as identified by the management on the Appointed Date, however, the same without detriment to the security for such borrowings to the lenders as it existed before the Scheme coming into effect.

Any question that may arise as to whether a specific asset or liability pertains or does not pertain to the Demerged Undertaking or whether it arises out of the activities or operations of the Demerged Undertaking or not

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will be decided by mutual agreement between the Board of Directors of Demerged Company and Resulting Company as the case maybe.

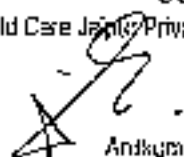
- 2.6. **"Operative Date"** means the date on which certified copies of the National Company Law Tribunal's order sanctioning this Scheme are filed by the Companies with the Registrar of Companies, Mumbai. Any references in this Scheme to "upon this Scheme becoming effective" or "upon coming into effect of this Scheme" or "upon the Scheme coming into effect" or "upon this Scheme becoming operative" or "upon coming into operation of this Scheme" shall be construed to be a reference to the Operative Date.
- 2.7. **"Remaining Business"** of the Demerged Company, as on Appointed Date, means all business other than the Hospital Undertaking and including but not limited to the Pharmacy and Diagnostic Business.
- 2.8. **"the Demerged Company"** or **"SMCCJPL"** or **"Surya Jaipur"** means Surya Mother and Child Care Jaipur Private Limited incorporated under the Companies Act, 2013 on 6th January, 2016, having CIN: U74999PN2013PTC158903 and having its registered office at Ground Floor, Mangal Ashirwad CHS Ltd., Near Vijay Sales, Swami Vivekanand Road, Santacruz (West), Mumbai- 400 054.
- 2.9. **"the Resulting Company"** or **"SCMPL"** or **"Surya Mumbai"** means Surya Children's Medicare Private Limited, incorporated under the Companies Act, 1956 on 12th May, 2010, having CIN: U85100MH2010PTC203093 and having its registered office at 101/102, Mangal Ashirwad, S.V. Road, Santacruz (West), Mumbai- 400 054.
- 2.10. **"the Companies"** collectively means the Demerged Company and the Resulting Company or a combination of any one or more companies to this Scheme, as the context may require.
- 2.11. **"Tribunal"** or **"NCLT"** shall mean the Hon'ble National Company Law Tribunal, Mumbai Bench at Mumbai having jurisdiction over the Companies.
- 2.12. **"this Scheme"** or **"the Scheme"** or **"Scheme of Arrangement"** means this composite scheme for demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company, and their respective shareholders, and adjustment / reduction of securities premium account of the Resulting Company in its present form with any amendment / modifications approved or imposed or directed by the shareholders and/or by the NCLT and accepted by the Board of Directors of the Companies respectively under section 230-232, 68 and other applicable provisions of the Act

3. INTERPRETATIONS

In this Scheme, unless the context otherwise requires:

- 3.1. words denoting singular shall include plural and vice versa;
- 3.2. headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
- 3.3. references to the word "include" or "including" shall be construed without limitation;
- 3.4. a reference to an article, clause, section, paragraph is, unless indicated to the contrary, a reference to an article, clause, section or paragraph of this Scheme:

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- 3.5 unless otherwise specified, the reference to the word "days" shall mean calendar days;
- 3.6. references to dates and times shall be construed to be references to Indian dates and times;
- 3.7. reference to any law or legislation or regulation shall include amendment(s), circulars, notifications, clarifications or supplement(s) to, or replacement or amendment of, that law or legislation or regulation;
- 3.8. word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them, and
- 3.9. references to a person include any individual, firm body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives' body (whether or not having separate legal personality).

4. SHARE CAPITAL

- 4.1. The authorised, issued, subscribed and paid-up share capital of Surya Jaipur, the Demerged Company as on 31st March, 2021:


Particulars	Amount in Rs.
Authorised Share Capital	
50,00,000 equity shares of Rs.10/- each.	5,00,00,000
Total	5,00,00,000
Issued, Subscribed and Paid-up Share Capital	
25,00,000 equity shares of Rs.10/- each fully paid up.	2,50,00,000
Total	2,50,00,000

Subsequently, there is no change in capital structure of the Demerged Company till date. The Demerged Company is wholly owned subsidiary of the Resulting Company as the entire equity share capital is held by its Resulting Company and its nominee(s).

- 4.2. The authorised, issued, subscribed and paid-up share capital of Surya Mumbai, the Resulting Company as on 31st March, 2021:

Particulars	Amount in Rs.
Authorised Share Capital	
15,00,000 equity shares of Rs.10/- each.	1,50,00,000
9,02,000 0.0001% compulsorily convertible cumulative participating preference shares of Rs. 150/- each.	13,53,00,000
Total	15,03,00,000
Issued, Subscribed and Paid-up Share Capital	
14,69,196 equity shares of Rs.10/- each fully paid up	1,46,91,960
9,01,388 0.0001% compulsorily convertible cumulative participating preference shares of Rs. 150/- each fully paid up	13,52,08,200
Total	14,99,00,160

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Subsequently, there is no change in capital structure of the Resulting Company till date.

5. DATE OF TAKING EFFECT AND COMPLIANCE OF TAX LAWS

- 5.1. As set out herein in its present form or with any modifications(s) approved or imposed by the Tribunal, the Scheme shall be effective from Appointed Date as mentioned herein but shall be operative from the Operative Date.
- 5.2. The demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and shall be in accordance with Section 2(19AA) of the Income Tax Act, 1961 without any further act, deed, and instrument. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the Income Tax Act, 1961, at a later date including resulting from an amendment of law or for any other reason whatsoever, 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(19AA) of the Income Tax Act, 1961. Such modification shall however not affect the other parts of the Scheme.

PART-III

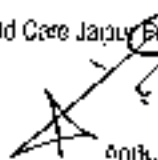
6. DEMERGER OF THE DEMERGED UNDERTAKING OF THE DEMERGED COMPANY INTO THE RESULTING COMPANY

6.1. With effect from Appointed Date and upon the Scheme becoming effective, pursuant to the provisions of Section 230 to 232, 66 and other applicable provisions of the Act, the whole of the Demerged Undertaking as on the Appointed Date shall be demerged from the Demerged Company and be transferred to and shall vest in or be deemed to have been transferred to and vested in the Resulting Company as a going concern without any further act, instrument or deed (save as provided in Clause 6.2 below) so as to become as and from the Appointed Date, the assets and liabilities of the Resulting Company in accordance with Section 2(19AA) of the Income Tax Act, 1961, without any further act, deed, instrument, matter.

6.2. The transfer of movable assets of the Demerged Undertaking shall be effected as follows.

6.2.1. All assets including cash and bank balance and movable properties wherever situated whether tangible or intangible, absolute, accrued, fixed or otherwise including fixed assets laboratories, scientific and medical equipment and devices, laboratory equipment's, furniture's, fixture's, computers and accessories, vehicles, air conditioners, stock-in-trade, inventories (including reagents, chemicals and consumables), stores and spares, hospital beds, patents, copyrights, designs and all other intellectual property rights, tenancies in relation to offices or premises, software licenses, computer programs, records (physical and soft copy as available) including patient records, licenses and registrations etc., advances to vendors, trade receivables, and current assets, relating exclusively to the Hospital Undertaking, in each case, wherever

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6.2.2. In respect of movable assets other than those specified in 6.2.1 above, including outstanding loans and advances, if any, bank balances and deposits, if any, with Government, Semi Government, local and other authorities and bodies, customers and other persons, the following modus operandi or otherwise agreed by the Board of Directors of the Resulting Company shall to the extent possible, be followed, that is to say the Demerged Company and the Resulting Company shall jointly or severally, as may be decided by them, give notice in such form as they may deem fit and proper, that pursuant to the Tribunal having sanctioned, inter alia, this Scheme, the said debts, loans, advances or deposits pertaining to the Demerged Undertaking be paid and/or made good to or be held on account of the Demerged Company as the person entitled thereto to the end and intent that the right of the Demerged Company to recover or realize the same stands transferred and assigned to the Resulting Company and that appropriate entry shall be made in the books of account of Demerged Company and the Resulting Company to record the aforesaid change.

6.3 Without prejudice to the generality of the above, in respect of such assets and properties of the Demerged Undertaking of the Demerged Company as are immovable in nature, if any, the same shall be so transferred as part of the Undertaking and shall, upon such transfer, become as and from the Appointed Date, the immovable assets of the Resulting Company, without any further act, instrument or deed, and it shall not be necessary to obtain the consent of any third party or other person in order to give effect to the provisions of this clause. From Operative Date, the Resulting Company shall be entitled to exercise and enjoy all rights and privileges attached to such immovable properties and shall be liable to pay the ground rent and taxes and fulfill all obligations going forward. The mutation or substitution of the title to the immovable properties shall upon this Scheme becoming effective, be made and duly recorded in the name of the Resulting Company by appropriate authorities pursuant to the sanction of this Scheme.


6.4. Upon the Scheme becoming effective, all debts, liabilities, duties and obligations of every kind, nature and description of the Demerged Undertaking shall also under the provisions of Section 230 read with Section 232 of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Resulting Company so as to become as from the Appointed Date the debts, liabilities, duties and obligations of the Resulting 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 arrangement by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this clause.

6.5. The transfer and vesting of the Demerged Undertaking as aforesaid shall be subject to the existing and other security interests, charges, mortgages, if any subsisting over or in respect of the property and assets or any part thereof relating to the Demerged Undertaking. Provided however, any reference (in any security document or arrangement to which the Demerged Company is a party) to the properties and assets of the Demerged Undertaking as the case may be, offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to those of the Demerged Undertaking which are vested in the Resulting Company, by virtue of the aforesaid clauses to the end and

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inient that such security interests, charges and mortgages shall not extend or be deemed to extend to any of the other assets of the Resulting Company unless specifically agreed to by the Resulting Company with such secured creditors. Provided also that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Demerged Undertaking and Resulting Company shall not be obliged to create any further or additional security after this Scheme becomes operative.

6.6. In so far as any properties and assets relating to the Remaining Business are offered as security for any liabilities forming part of the Demerged Undertaking then to that extent such security shall continue to be effective against the properties of Remaining Business

7. CONSIDERATION

7.1. The entire issued, subscribed and paid up share capital of the Demerged Company is held by the Resulting Company and its nominee(s). Upon the Scheme becoming effective, no new shares of the Resulting Company shall be allotted in lieu of the transfer of the Demerged Undertaking, to the shareholders of the Demerged Company, as the Resulting Company itself is the shareholder of the Demerged Company.

8. ACCOUNTING TREATMENT

8.1. In the books of the Demerged Company

8.1.1. The Demerged Company shall, upon coming into effect of the Scheme and on account of the demerger of the Demerged Undertaking into the Resulting Company, reduce book value of assets and liabilities as on the Appointed Date pertaining to the Demerged Undertaking.

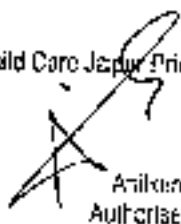
8.1.2. To the extent, there are any other inter-corporate loans, advances or balances between the Demerged Company and the Resulting Company (including 14,78,014 3% Optionally Convertible Debentures) relating to Demerged Undertaking, the rights and obligations in respect thereof shall come to an end.

8.1.3. The difference of the net asset value of the Demerged Undertaking transferred to the Resulting Company under 8.1.1, over the cancellation of debentures and inter-company balances as per Clause 8.1.2, pursuant to this Scheme shall be adjusted/credited to the Debit balance of Profit & Loss Account of the Demerged Company.

8.2. In the books of the Resulting Company

8.2.1. The Resulting Company shall, upon the Scheme becoming effective, record the assets and liabilities of the Demerged Undertaking of the Demerged Company vested in it pursuant to this Scheme, at their respective book values, as appearing in the books of the Demerged Company as on the Appointed Date.

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8.2.2. To the extent, there are any other inter-corporate loans, advances or balances between the Demerged Company and the Resulting Company (including 14,76,014 3% Optionally Convertible Debentures) relating to Demerged Undertaking, the rights and obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of account and records of the Resulting Company for the reduction of any assets or liabilities, as the case may be.

8.2.3 The difference of the net asset value of the Demerged Undertaking transferred to the Resulting Company under 8.2.1. over the cancellation of debentures and inter-company balances as per Clause 8.2.2, would be adjusted against Securities Premium of the Resulting Company as an integral part of this Scheme.

9. APPLICATION / UTILISATION OF SECURITIES PREMIUM IN THE BOOKS OF RESULTING COMPANY

9.1 Adjustment of Securities Premium in the books of Resulting Company as per Clause 8.2.3 above, shall be effected as an integral part of the Scheme in accordance with the provisions of Section 52 and Section 68 and other applicable provisions of the Act and the order of the Tribunal sanctioning the Scheme shall be deemed to be also the order under Section 68 of the Act for the purpose of confirming the reduction and no further act, deed, or thing as required under the provisions of the Act would be required. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital.

PART – VI GENERAL TERMS AND CONDITIONS

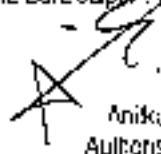
10. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

Subject to all the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which the Demerged Undertaking(s) of the Demerged Company are a party or for the benefit of which the Demerged Undertaking(s) of the Demerged Company may be eligible and which are subsisting or having effect immediately before the Operative Date, shall be in full force and effect against or in favor of, as the case may be of the Resulting Company and enforced as fully and effectively as if, instead of the Demerged Company (to the extent relating to the Demerged Undertaking) as the case may be, the Resulting Company had been a party or beneficiary thereof. The Resulting Company (to the extent related to the Demerged Undertakings) shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into a tripartite arrangement, confirmation or novation to which the Demerged Company (to the extent relating to the Demerged Undertaking) will, if necessary, also be a party in order to give formal effect to this clause if so required or becomes necessary.

11. LEGAL PROCEEDINGS

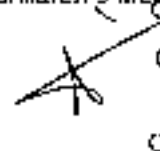
11.1. If any suit, writ petition, appeal, revision or other proceedings of whatever nature (hereinafter called "the Proceedings") by or against the Demerged Undertaking of the Demerged Company be pending, the same shall not

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abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Demerged Undertaking of the Demerged Company or of anything contained in the Scheme, but the Proceedings may be continued prosecuted and enforced by or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Demerged Company as if the Scheme had not been made.

11.2. On and from the Operative Date, the Resulting Company shall be entitled to initiate any legal proceeding for and on behalf of the respective Demerged Undertakings of the Demerged Company for any actions taken by or against the Demerged Company, or any other person, as the case may be.

11.3. It is clarified that there is no pendency of any investigation and proceedings against the Demerged Undertaking of the Demerged Company under any laws for the time being in force and if any then same may be continued and enforced against the Resulting Company on and from the Operative date.

12. CONDUCT OF BUSINESS OF DEMERGED UNDERTAKING BY DEMERGED COMPANY TILL OPERATIVE DATE

With effect from the Appointed Date, and up to the Operative Date:

12.1. The Demerged Company shall carry on or deemed to have carried on all their respective business and activities and shall be deemed to have held or stood possessed of and shall hold and stand possessed of all the assets pertaining to the Demerged Undertaking for and on account of and in trust for the Resulting Company.

12.2. As and from the date of acceptance of this Scheme by the Board of Directors of the Demerged Company and till the Operative Date, the Demerged Company shall not alienate, charge, mortgage, encumber or otherwise deal with the assets of the Demerged Undertaking or any part thereof without the prior written concurrence of the Board of Directors of the Resulting Company, except in the normal course of business.

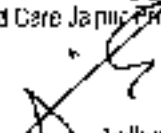
12.3. The Demerged Company shall carry on and be deemed to have carried on all the respective business activities and shall be deemed to have held and been in possession of the Demerged Undertaking for and on account of and in trust of the Resulting Company.

13. EMPLOYEES


13.1. All employees of the Demerged Undertaking of the Demerged Company in service on the Operative Date if any, shall become employees of the Resulting Company on such date without any break or interruption in service and on terms and conditions as to remuneration not less favourable than those subsisting with reference to the Demerged Company as on the said date.

13.2. As far as the Provident Fund, Gratuity Fund, Superannuation Fund or any other special fund ("Fund") created or existing for the benefit of such permanent employees of the Demerged Company to the extent pertaining to the Demerged Undertaking are concerned, on and from the Operative Date, the Resulting Company shall stand substituted for the Demerged Company (to the extent pertaining to the Demerged Undertakings) and for

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such employees of the Resultant Company for all the purposes whatsoever related to administration or operation of such Funds in accordance with provisions of such Funds according to the terms provided in the respective trust deeds or other documents. It is clarified that the services of such permanent employees of the Demerged Company to the extent pertaining to the Demerged Undertaking will be treated as having been continuous and not interrupted for the purposes of such Funds.

14. REMAINING UNDERTAKING

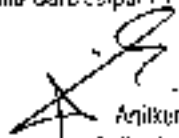
- 14.1 All the assets, liabilities and obligations pertaining to the Remaining Undertaking as on Appointed Date shall continue to belong to and be vested in and be managed by the Demerged Company.
- 14.2. All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Remaining Undertaking shall be continued and enforced by or against the Demerged Company.
- 14.3 Demerged Company shall carry on its business and activities pertaining to the Remaining Undertaking of the Demerged Company in the ordinary course and nothing herein contained shall affect the business and activities in relation to the Remaining Undertaking of the Demerged Company.

15. TREATMENT OF TAXES

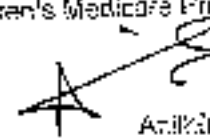
- 15.1 All or any tax liabilities, refunds, credits, claims, tax incentives, advantages, privileges, exemptions, benefits, remissions, reductions, tax holidays, minimum alternate tax credits relating thereto under the Income-tax Act, 1961, sales tax, goods and service tax, value added tax, excise laws, custom duties, goods and services tax or other applicable laws / regulations dealing with taxes / duties / levies/indirect taxes (hereinafter in this clause referred to as ("Tax Laws allocable or related to the Demerged Undertaking of the Demerged Company whether provided for or covered by tax provisions in the financial statements made as on the Appointed Date, or not, shall be available and be treated as liabilities, refunds, credits, claims of the Resulting Company and shall be transferred to the Resulting Company from and with effect the Appointed Date, and following the Operative Date, the Resulting Company shall be entitled to initiate, raise, add or modify any claims in relation to such Tax Laws on behalf of the Demerged Company (to the extent related to the Demerged Undertaking) even if prescribed limit for such action have elapsed. For avoidance of doubt, input tax credits already availed of or utilized by the Demerged Company in respect of inter se transactions shall not be adversely impacted by cancellation of inter se transactions pursuant to this Scheme. Any surplus in the provision for taxation/ duties/ levies account including advance tax and TDS, credit for minimum alternate tax, credit for goods and service tax as on the Appointed Date will also be transferred to the account of the Resulting Company.

- 15.2. Any refund under the Tax Laws due in respect of Demerged Undertaking of the Demerged Company, consequent to the assessments made on the Demerged Company and for which no credit is taken in the financial statements as on the Appointed Date shall also belong to and be received by the Resulting Company as applicable.

For Surya Walker and Child Care Jaipur Private Limited

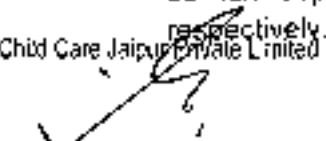

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Anil Kumar Agarwal
Chief Financial Officer

- 15.3. Without prejudice to the generality of the above, all benefits, credits, refunds, exemptions, incentives or concessions under Tax Laws as may be applicable to which the Demerged Undertaking of the Demerged Company is entitled to in terms of the applicable Tax Laws of the Union and State Governments in India, shall be available to and vest in the Resulting Company.
- 15.4. The Demerged Company and Resulting Company shall be entitled to, amongst others, file / or revise its income tax returns, TDS/TCS returns, Goods and service tax returns, excise duty, cess, professional tax or any other statutory returns, if required, credit for advance tax paid, tax deducted at source, claim for sum proscribed under section 43B of the Income Tax Act, 1961 on payment basis, claim for deduction of provisions written back by Demerged Company (to the extent related to the Demerged Undertaking) and Resulting Company previously disallowed in the hands of Demerged Company and Resulting Company respectively under the Income Tax Act, credit of tax under section 115JB read with section 115JAA of the Income Tax Act, credit of foreign taxes paid/ withheld, if any, pertaining to Demerged Company (to the extent related to the Demerged Undertaking) and Resulting Company as may be required consequent to implementation of this Scheme and Demerged Company and Resulting Company and where necessary to give effect to this Scheme, even if the prescribed time limits for filing or revising such returns have lapsed without incurring any liability on account of interest, penalty or any other sum. Demerged Company and Resulting Company shall have the right to claim refunds, tax credits, set-offs and/or adjustments relating to the income or transactions entered into by them by virtue of this Scheme with effect from Appointed date. The taxes or duties paid by, for, or on behalf of, Demerged Company (to the extent related to the Demerged Undertaking) and First Resulting Company relating to the period on or after Appointed date, as the case may be, shall be deemed to be the taxes or duties paid by Demerged Company and Resulting Company respectively and Demerged Company and Resulting Company shall be entitled to claim credit or refund for such taxes or duties.
- 15.5. Any advance tax, self-assessment tax, minimum alternate tax and/or TDS credit available or vested with Demerged Company (to the extent related to the Demerged Undertaking) and Resulting Company, including any taxes paid and taxes deducted at source and deposited by Demerged Company (to the extent related to the Demerged Undertaking) and Resulting Company on inter se transactions during the period between Appointed Date and the Operative Date, shall be treated as tax paid by Demerged Company and Resulting Company respectively and shall be available to Demerged Company and Resulting Company for set-off against its liability under the Income Tax Act and any excess tax so paid shall be eligible for refund together with interest. Further, TDS deposited, TDS certificates issued or TDS returns filed by Demerged Company (to the extent related to the Demerged Undertaking) and Resulting Company on transactions other than inter se transactions during the period between Appointed Date and the Operative Date, as applicable, shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by Demerged Company and Resulting Company respectively. Any TDS deducted by, or on behalf of, Demerged Company and Resulting Company on inter se transactions will be treated as tax deposited by Demerged Company and Resulting Company

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16. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the Demerged Undertaking of the Demerged Company as per this Scheme and the continuation of proceedings by or against the Demerged Company to the extent related to the Demerged Undertaking(s) and the Resulting Company shall not affect any transaction or proceedings already concluded by the Demerged Company in relation to the Demerged Undertaking(s) on or after the Appointed Date till the Operative Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Demerged Company in relation to the Demerged Undertaking(s) in regard thereto, as if done and executed by the Resulting Company on its behalf.

17. DIVIDEND, PROFIT AND BONUS/RIGHTS SHARES

- 17.1. The Demerged Company shall not utilize profits or income, if any, pertaining to the Demerged Undertaking(s) for any purpose including declaring or paying any dividend in respect of the period falling on and after the Appointed Date without the mutual consent/approval of Board of Directors of the Demerged Company and the Resulting Company. The Demerged Company shall also not utilize profits, adjust or claim adjustment of the profits/loss as the case may be earned/incurred or suffered in respect of the Demerged Undertaking(s) after the Appointed Date, as the case may be.
- 17.2. Until the Operative Date, the Demerged Company shall not, unless agreed by the Board of the Resulting Company, issue or allot any further equity shares either rights or bonus or otherwise.


18. APPLICATION TO THE NATIONAL COMPANY LAW TRIBUNAL

The Demerged Company and the Resulting Company with all reasonable dispatch, shall make applications/petitions to the NCLT for sanctioning of the Scheme of Arrangement under Section 230 to 232, 66 and other applicable provisions of the Act to the National Company Law Tribunal, Mumbai Bench at Mumbai for sanctioning of this Scheme under the provisions of the Act

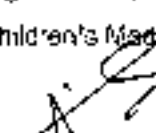
19. MODIFICATIONS, AMENDMENTS TO THE SCHEME

- 19.1. The Demerged Company (by its Board of Directors) and the Resulting Company (by their Board of Directors) may, in their full and absolute discretion, assent to any alteration or modification or amendment of this Scheme which the NCLT, and/or any other competent authority may deem fit to direct or impose and may give such directions as they may consider necessary to settle any question or difficulty arising under the Scheme or in regard to its implementation or in any matter connected therewith.
- 19.2. The Board of Directors of the Resulting Company and the Demerged Company hereby authorise the Board of Directors of the Demerged Company to give assent to any modifications or amendment(s) in the Scheme which may be considered necessary or desirable for any reason whatsoever and without prejudice to the generality of the foregoing and for any reason whatsoever, the implementation of the Scheme shall not get adversely affected as a result of acceptance of any such modification by the Board of Directors of the Demerged Company and the Board of

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Anil Kumar Agarwal
Chief Financial Officer

Directors of the Demerged Company be and is hereby authorised by the Board of Directors of the Resulting Company and the Board of Directors of the Demerged Company to take such steps and to do all acts deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubt, difficulties or questions otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith. All amendment /modification pursuant to this clause shall be subject to the approval of NCLT.

20. SCHEME CONDITIONAL UPON APPROVALS/ SANCTIONS

This Scheme is specifically conditional upon and subject to:

- 20.1 Approval to the Scheme by the requisite majorities in number and in values of such classes of persons of the Demerged Company, Resulting Company and/or as may be directed by the NCLT or any other appropriate authority as may be applicable.
- 20.2 Approval in terms with the applicable provisions of the Act and updated from time to time, as may be considered necessary to give effect to this Scheme and/or as may be directed by the NCLT.
- 20.3 The sanctions of the NCLT being obtained for the Scheme under Sections 230 to 232, 66 and other relevant provisions of the Act and the certified copies or authenticated copies of such orders sanctioning the Scheme being filed with the Registrar of Companies, Mumbai.

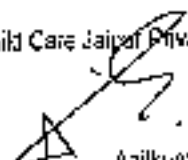
21. EFFECT OF NON-RECEIPT OF APPROVAL / SANCTION

In the event of any of the approvals or conditions, enumerated in clause 19 above not being obtained or complied or for any reasons this Scheme cannot be implemented, then the respective Board of Directors of the Demerged Company and the Resultant Company shall waive such conditions as they may consider appropriate to give effect appropriately and, as far as possible, to this Scheme. Failing such agreement or in case this Scheme is not sanctioned by the NCLT, then the Scheme shall become null and void, and in that event no rights and liabilities whatsoever shall accrue to or be incurred between the Demerged Company and the Resultant Company or their shareholders or any other person. In such case, each Company shall bear its own costs or as may be mutually agreed.

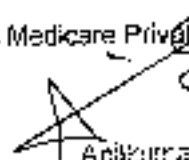
22. EXPENSES CONNECTED WITH THE SCHEME

All cost, charges and expenses in relation to or in connection with this Scheme and of carrying out and completing the terms and provisions of this Scheme and/or incidental to the completion of demerger in pursuance of the Scheme shall be borne and paid by the Resulting Company only. Similarly, the Resulting Company shall alone bear any duties or taxes leviable including stamp duty in pursuance to or as a consequence of this Scheme of Arrangement.

For Surya Mother and Child Care Jaipur Private Limited


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