
SCHEME OF AMALGAMATION (MERGER BY ABSORPTION)

**UNDER SECTION 230 TO 232 OF THE COMPANIES ACT, 2013 AND THE RULES
FRAMED THEREUNDER**

BETWEEN

OMNIACTIVE HEALTH TECHNOLOGIES LIMITED

AND

PAEON WELLNESS AND NUTRITION LIMITED

AND

OMNI WELLNESS AND NUTRITION LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS

PREAMBLE:

This Composite Scheme of Amalgamation (Merger by Absorption) (hereinafter referred to as “The Scheme”) is presented under Section 230 to 232 of the Companies Act, 2013 and the Rules framed thereunder for the Amalgamation of Paeon Wellness and Nutrition Limited (“PAEON”) and Omni Wellness and Nutrition Limited (“OWN”) with OmniActive Health Technologies Limited (“OAHTL”)

A. DESCRIPTION OF COMPANIES AND BACKGROUND:

1. OAHTL bearing CIN U24230MH2003PLC141898, a company incorporated under the provisions of Companies Act, 1956 and having its registered office at Unit No. T-8b, 5th Floor, Phoenix House Phoenix Mills Compound, 462, S B Marg, Lower Parel, Mumbai, Maharashtra 400013, India, is engaged in the business manufacture and supply of active health ingredients to dietary supplement and functional food industries.
2. PAEON bearing CIN U24304MH2016PLC287536, an unlisted public company incorporated under provisions of Companies Act, 2013 and having its registered office at Unit No. T-5A, 5th Floor, Phoenix House, A Wing Phoenix Mills Compound, 462, S B Marg, Lower Parel, Mumbai- 400 013, India, is engaged in the business of marketing and selling of wellness and nutrition retail products.. PAEON is a wholly owned subsidiary of OAHTL
3. OWN bearing CIN U24233MH2013PLC245230, an unlisted public company incorporated under Companies Act, 2013 and having its registered office at Unit No. T-5A, 5th Floor, Phoenix House, A Wing Phoenix Mills Compound, 462, S B Marg, Lower Parel, Mumbai – 400 013, India, is engaged in the business of marketing and selling of wellness and nutrition retail products. OWN is a wholly owned subsidiary of OAHTL.
4. For the purpose of this Scheme, OWN is hereinafter referred to as “The Transferor Company 1”, PAEON is hereinafter referred to as “The Transferor Company 2” and OAHTL is hereinafter referred to as “The Transferee Company”. “The Transferor Company 1” and “The Transferor Company 2” are collectively referred to as “The Transferor Companies”.
5. This Scheme of Amalgamation (Merger by Absorption) provides for the amalgamation of OWN and PAEON into OAHTL in accordance with the provisions of Section 230 to 232 of the Companies Act, 2013 and various other matters consequential or integrally connected therewith, in the manner provided for in this Scheme.
6. The Scheme does not have any adverse effects on either the shareholders, the employees or the creditors of the Transferor Companies or the Transferee Company.

7. The Amalgamation (Merger by Absorption) shall comply with the provisions of Section 2(1B) of the Income Tax Act, 1961.

B. RATIONALE OF THE SCHEME:

PAEON and OWN are wholly owned subsidiaries of OAHTL and the business of these entities are similar and complement each other. In order to simplify the corporate structure and to achieve *inter-alia* cost and operational efficiencies, the amalgamation (merger by absorption) is being undertaken. The amalgamation (merger by absorption) of the Transferor Companies into the Transferee Company will explicitly result in the following benefits:

1. Greater integration and greater financial strength and flexibility for the Transferee Company, which would result in maximising the overall shareholder value, and will improve the competitive position of the combined entity.
2. Greater efficiency in cash management of the Transferee Company, and unfettered access to cash flow which can be deployed more efficiently to fund organic and inorganic growth opportunities in order to maximise shareholder value.
3. Improved organisational capacity and leadership, arising from pooling of human capital who have the diverse skills, talent and vast experience to compete successfully in a competitive industry.
4. Cost savings expected to flow from more focused operational efforts, rationalization, standardisation and simplification of business processes, and elimination of duplication and rationalisation of compliance costs and administrative expenses.

Having regard to the above benefits expected to flow from the amalgamation, the Board of Directors of OAHTL, OWN and PAEON have considered and proposed the amalgamation in order to benefit the stakeholders of all the companies. Accordingly, the Board of Directors of OAHTL, OWN and PAEON have formulated this Scheme of Amalgamation (Merger by Absorption) pursuant to the provisions of Section 230 to 232 and other relevant provisions of the Act.

C. PARTS OF THE SCHEME:

The Scheme is divided into the following parts:

PART A deals with definitions and interpretation which are common and applicable to all Parts of the Scheme. Part A also deals with the capital structure of the Transferor Companies and the Transferee Company;

PART B deals with the amalgamation and transfer and vesting of all assets and liabilities of the Transferor Companies into the Transferee Company and;

PART C provides for the general terms and conditions that would be applicable to the Scheme.

This Scheme also provides for various other matters consequential, incidental or otherwise integrally connected therewith.

PART A:

DEFINITIONS AND SHARE CAPITAL:

1. DEFINITIONS:

In this Scheme, unless inconsistent with the meaning or context thereof, the following expressions shall have the meanings given below:

- a) **“Act”** means the Companies Act, 2013 and all the Rules made thereunder and shall include any statutory modifications, re-enactments or amendments thereof for the time being in force;
- b) **“Applicable Law”** means any applicable statute, law, regulation, ordinance, rule, judgment, order, decree, clearance, approval, directive, guideline, requirement or any similar form of determination by or decision of any Governmental Authority, that is binding or applicable to a Person, whether in effect as of the date on which this Scheme has been approved by the Boards of Directors of the Companies or at any time thereafter;
- c) **“Appointed Date”** means the 1st day of January, 2020 or such other date as the Appropriate Authority may direct or fix as the date on which the Scheme shall come into operation;
- d) **“Appropriate Authority”** means:
 - i. the government of any jurisdiction (including any central, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, central bank, commission or other authority thereof;
 - ii. any public international organisation or supranational body and its institutions, departments, agencies and instrumentalities;
 - iii. any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing or other governmental or quasi-governmental authority including (without limitation), the NCLT (as defined hereinafter);

- e) **“Board of Directors”** or **“Board”** means and includes the respective Board of Directors of OAHTL, OWN and PAEON or any committee constituted by such Board of Directors for the purposes of the Scheme;
- f) **“Business Combination under Common Control”** means a business combination involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory;
- g) **“Companies”** shall collectively mean the Transferor Companies and the Transferee Company;
- h) **“Competent Authority”** means the Central Government or the National Company Appellate Tribunal (“NCLT”) (as defined herein after) or the Regional Director of Mumbai, Maharashtra having jurisdiction over the Transferor Companies and the Transferee Company;
- i) **“Contracts”** with respect to a Person, means any agreement, contract, undertaking, or legally binding commitment entered into by such Person;
- j) **“Effective Date”** means the date on which the certified copy of the Order of National Company Law Tribunal, Mumbai Bench sanctioning the Scheme is filed by the Transferor Companies and Transferee Company with the Registrar of Companies, Mumbai, Maharashtra. Any references in this Scheme to the “date of coming into effect of the Scheme” or “effectiveness of this Scheme” or “Scheme taking effect” shall mean the Effective Date;
- k) **“Employees”** means all staff, workmen, contract labourers and employees engaged in the business or in connection with the Transferor Companies, and on the payroll of the Transferor Companies on the closing hours of the date immediately preceding the Effective Date;
- l) **“Encumbrance”** means any options, pledge, mortgage, lien, security interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint, or any other encumbrance of any kind or nature whatsoever, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under any Applicable Law;
- m) **“Goodwill”** means and includes the goodwill of the Transferor Companies, together with the exclusive rights of the Transferee Company and its assignees to represent themselves as carrying on the business in succession to the Transferor Companies and includes any information, records, relationships with customers, product registrations/approvals, and intangible assets, as defined below;

- n) **“Governmental Authority”** means any applicable Central, State or Local Government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau, instrumentality, judicial, quasi-judicial or arbitral body in India.
- o) **“Intangible Assets”** means and includes all intellectual property (in possession of and/or for which a valid agreement has been entered by the Transferor Companies) and includes without limitation to any jurisdiction or duration, all trademarks (including any applications, registrations, unregistered marks and/or the goodwill associated therewith in any and all classes of goods and services), the Brand Name, service marks, logos, get-up, trade dress, packaging, shape of bottle/products (including but not limited to registered designs in any country and shall extend to rights in the products even in countries where a registration may not have been applied for/obtained), copyrights (including any application, registration or renewal thereof), internet domain names, email address, trade names, rights in designs (registered or unregistered and/or goodwill vesting therein in any and all classes), patents (including any application, registration, extension, re-examination, reissue, continuation or renewal of patents), utility models, mask work rights, trade secrets and rights in confidential information (including without limitation in relation to any product formulae, programming, coding), topography or database rights, rights in know-how, rights in trade or business, moral rights, licences, and any other intellectual property rights including all/every rights connected therewith, in each case whether registered or unregistered and including applications for registration and all rights or forms of protection having equivalent or similar effect anywhere in the world, goodwill and common law and any other proprietary rights, title and interest attached thereto or vesting or accruing therein anywhere in the world. The term includes the right to use of all such intellectual property and to make applications for registration thereof in any country/jurisdiction.
- p) **“IT Act”** means Income Tax Act, 1961 including any statutory modifications, re-enactments or amendments thereof for the time being in force;
- q) **“NCLT”** means National Company Law Tribunal, Mumbai Bench, or such other forum or authority as may be vested with the powers under the provisions of Section 230 to 232 of the Act, as may be applicable;
- r) **“Parties”** shall mean collectively the Transferor Companies and the Transferee Company and “Party” shall mean each of them, individually;
- s) **“Reserve”** means the portion of earnings, receipts or other surplus of an entity (whether capital or revenue) appropriated by the management for a general or a specific purpose other than provision for depreciation;
- t) **“Sanction Orders”** means, collectively, the orders of the Competent Authority sanctioning the Scheme;

- u) **“Scheme”** means this Scheme of Amalgamation (Merger by Absorption) with such modification(s), if any made, in accordance with the terms hereof or in accordance with the directions of the Appropriate Authority including the NCLT, and approved by the NCLT;
- v) **“Taxes” or “Tax” or “Taxation”** means all forms of taxation with reference to profits, gains, turnover, gross receipts, duties (including stamp duties), levies, imposts, including without limitation corporate income–tax, wage and other withholding taxes, provident fund, employee state insurance and gratuity contributions, goods and service tax, value added tax, customs duty, service tax, excise duties, input tax credit, fees or levies and other legal transaction taxes, dividend/withholding tax, real estate taxes, other municipal taxes and duties, environmental taxes and duties, any other similar assessments or other type of taxes or duties in any relevant jurisdiction, together with any interest, penalties, surcharges or fines relating thereto and in addition to any tax, dues, payables, levied, imposed upon or claimed to be owed in any relevant jurisdiction or country;
- w) **“Transferee Company”** means OmniActive Health Technologies Limited bearing CIN U24230MH2003PLC141898, a company incorporated under the provisions of Companies Act, 1956 and having its registered office at Unit No. T-8b, 5th Floor, Phoenix House Phoenix Mills Compound, 462, S B Marg, Lower Parel, Mumbai, 400 013, India.
- x) **“Transferor Companies”** means Transferor Company 1 and Transferor Company 2 collectively.
- y) **“Transferor Company 1”** means Omni Wellness and Nutrition Limited bearing CIN U24233MH2013PLC245230, incorporated under provisions of Companies Act, 2013 and having its registered office at Unit No. T-5A, 5th Floor, Phoenix House, A Wing Phoenix Mills Compound, 462, S B Marg, Lower Parel, Mumbai, 400 013, India.
- z) **“Transferor Company 2”** means Paeon Wellness and Nutrition Limited bearing CIN U24304MH2016PLC287536, incorporated under provisions of Companies Act, 2013 and having its registered office at Unit No. T-5A, 5th Floor, Phoenix House, A Wing Phoenix Mills Compound, 462, S B Marg, Lower Parel, Mumbai, 400 013, India.

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

2. DATE OF TAKING EFFECT AND OPERATIVE DATE:

The Scheme set out herein in its present form or with any modification(s), amendment(s) approved or imposed or directed by the Competent Authority shall be effective from the Appointed Date but shall be made operative from the Effective Date.

3. SHARE CAPITAL:

3.1 The share capital of OAHTL (the Transferee Company) as on 31st March, 2020 is as follows:

Particulars	INR
Authorised Share Capital:	
2,75,00,000 Equity Shares of Rs. 10/ each	27,50,00,000
3,00,00,000 Preference Shares of Rs. 10/ each	30,00,00,000
Total	57,50,00,000
Issued, Subscribed and Paid-up Share Capital:	
1,16,59,211 Equity Shares of Rs. 10/ each fully paid up	11,65,92,110*

**Including 2,10,000 (Two Lakh Ten Thousand Only) Equity Shares of Rs. 10 each allotted to OmniActive Employees Trust under the Employee Stock Option Purchase Scheme.*

3.2 The share capital of OWN (the Transferor Company 1) as on 31st March, 2020 is as follows*:

Particulars	INR
Authorised Share Capital:	
1,80,00,000 Equity Shares of Rs. 10/ each	18,00,00,000
4,75,00,000 Preference Shares of Rs. 10/- each	4,75,00,000
Total	22,75,00,000
Issued, Subscribed and Paid-up Share Capital:	
1,62,09,329 Equity Shares of Rs. 10/ each fully paid up	1,62,09,329
40,00,000 Optionally Convertible Preference Shares of Rs. 10/ each fully paid up	4,00,00,000
Total	20,20,93,290

**Modified to include share capital as on 31st March 2020. Out of the above issued, subscribed and paid up share capital equity shares amounting to INR 63,00,000/- were issued but were pending to be allotted as on 31st March 2020.*

3.3 The share capital of PAEON (the Transferor Company 2) as on 31st March, 2020 is as follows*:

Particulars	INR
Authorised Share Capital:	
2,40,00,000 Equity Shares of Rs. 10/ each	24,00,00,000
Total	24,00,00,000
Issued, Subscribed and Paid-up Share Capital:	
2,14,54,863 Equity Shares of Rs. 10/ each fully paid up	21,45,48,630
Total	21,45,48,630

**Modified to include share capital as on 31st March 2020. Out of the above issued, subscribed and paid up share capital equity shares amounting to INR 1,37,96,000/- were issued but were pending to be allotted as on 31st March 2020.*

PART B

AMALGAMATION OF TRANSFEROR COMPANIES INTO THE TRANSFEREE COMPANY

4. TRANSFER AND VESTING:

- 4.1 With effect from the Appointed Date and upon this Scheme coming into effect, the Transferor Companies shall without any further act, instrument or deed, be and stand merged and transferred to and vested in or be deemed to be transferred to and vested into the Transferee Company as a going concern, so as to vest in Transferee Company, all the rights, titles and interests pertaining to the Transferor Companies pursuant to the provisions of Section 230 to 232 of the Companies Act, 2013 and pursuant to the orders of NCLT sanctioning this Scheme becoming effective.
- 4.2 Without prejudice to Clause 4.1 above, in respect of all immovable properties of the Transferor Companies, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Companies, whether freehold or leasehold or licensed or otherwise, any rights and interests in relation to warehouses/godowns, all rights, covenants, continuing rights, title and interest in connection with the said immovable properties and all documents of title, rights and easements in relation thereto of the Transferor Companies, shall stand transferred to and be vested in and transferred to and/or be deemed to have been and stand transferred to and vested in the Transferee Company, without any further act or deed done or required to be done by the Transferor Companies or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent, lease rent and taxes and fulfill all obligations in relation to or applicable to such immovable properties. The mutation of the ownership or title, or interest in the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate Governmental Authority pursuant to the sanction of this Scheme by the Competent Authority in accordance with the terms hereof.
- 4.3 Upon the Scheme coming into effect and with effect from the Appointed Date, all assets of the Transferor Companies, including but not limited to all earnest money, security deposits and

advances paid by the Transferor Companies and benefit of any deposits, the same shall, without any further act, instrument or deed, stand transferred to and vested in and/or be deemed to be vested with the Transferee Company pursuant to the provisions of Section 230 to 232 of the Act, so as to become as and from the Appointed Date, the corresponding assets of the Transferee Company.

- 4.4 Without prejudice to the generality of the foregoing, upon the effectiveness of the Scheme, all Intangible Assets including but not limited to rights in intellectual property (whether owned, licensed or otherwise and whether registered or unregistered) used in relation to the Transferor Companies, including with respect to the business, including the logo and trademark of the Transferor Companies, and all other trade names, service names, trademarks, brands, copyrights, designs, know-how and trade secrets, patents, along with all rights of commercial nature including attached Goodwill, title, interest, labels and brand registrations and all such other industrial or intellectual rights of whatsoever nature and advantages of whatever nature in connection with the above including any Goodwill relating to such intellectual property, whether or not provided for in the books of accounts of the Transferor Companies, shall under the provisions of Section 230 to 232 of the Act, as applicable, and all other provisions of Applicable Law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Transferee Company as a going concern, so as to become, as and from the Appointed Date, the Intangible Assets of the Transferee Company.
- 4.5 All cheques and other negotiable instruments, payment orders, electronic fund transfers (like NEFT, RTGS, etc.) received or presented for encashment which are in the name of the Transferor Companies after the Effective Date shall be deemed to be in the name of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company or received through electronic transfers and the bankers of the Transferee Company shall accept the same. Similarly, the bankers of the Transferee Company shall honour all cheques/electronic fund transfer instructions issued by the Transferor Companies for payments made after the Effective Date. If required, the bankers of the Transferor Companies and/or the Transferee Company shall allow maintaining and operating of the bank accounts (including banking transactions carried out electronically) in the name of the Transferor Companies for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques, pay order and electronic transfers that have been issued/made in the name of the Transferor Companies and subject to such accounts being operated by the Transferee Company.
- 4.6 The transfer and vesting as aforesaid shall apply in respect of the remaining business as on the Effective Date and shall be subject to the existing charges / hypothecation / mortgages, if any, as may be subsisting and agreed to be created over in respect of the said assets or any part thereof; provided however, any reference in any security documents or arrangements to which the Transferor Companies are a party wherein the assets of the Transferor Companies have

been or are offered or agreed to be offered as security for any financial assistance or obligations shall be construed as reference only to the assets pertaining to the Transferor Companies and vested in the Transferee Company by virtue of this Scheme to the end and intent that the charges shall not extend or deemed to extend to any other assets of the Transferee Company.

Provided that the Scheme shall not operate to enlarge the security for the said liabilities of the Transferor Companies which shall vest in Transferee Company by virtue of the Scheme and Transferee Company shall not be obliged to create any further or additional security thereof after the amalgamation (merger by absorption) has become effective or otherwise. Further, the Scheme shall not operate to enlarge the security for any liabilities of Transferee Company, in as much as the security shall not extend to any assets of the Transferee Company other than the assets transferred by the Transferor Companies to the Transferee Company in terms of Clause 4.1 above.

- 4.7 Upon the Scheme coming into effect, and with effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of the Transferor Companies shall, without any further act, instrument or deed, be and stand transferred from the Transferor Companies and transferred to and vested in or/ be and assented by and/ or deemed to be transferred to and vested in and assumed by the Transferee Company, so as to become as and from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company, pursuant to the provisions of Section 230 to 232 of the Companies Act, 2013, and any other relevant provisions of the Act and the order of the Competent Authority sanctioning the Scheme, and it shall not be necessary to obtain the consent of any third party or other person who is party to any contract of arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.
- 4.8 The Scheme shall not operate to enlarge the security of any loan, deposit or facility created by or available to the Transferor Companies which shall vest in the Transferee Company by virtue of the Scheme. For the avoidance of doubt and notwithstanding anything contained herein, it is expressly clarified that no Encumbrances shall be extended to any of the assets of the Transferee Company.
- 4.9 The Transferee Company, may at any time after the coming into effect of the Scheme in accordance with the provisions of the Scheme, if so required, under any law or otherwise, execute necessary writings, in favour of the creditors of the Transferor Companies or in favour of any other party to any contract or arrangement to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the respective Transferor Companies and to implement or carry out all such formalities or compliances referred to above to be carried out or performed on the part of the respective Transferor Companies.

4.10 With effect from the Appointed Date and upon this Scheme coming into effect, all permits, no objection certificates, contracts, permissions, approvals, consents, rights, entitlements, licenses, including those relating to copyrights, intellectual property rights, privileges, powers, facilities of every kind and description of whatsoever nature to which the Transferor Companies are a party or to the benefit of which the Transferor Companies may be eligible and which are subsisting or having effect on the Effective Date, shall stand transferred to and vested in the Transferee Company, without any further act or deed and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company upon the vesting and transfer of the Transferor Companies pursuant to this Scheme and shall be and remain in full force, operative and effectually for the benefit of the Transferor Companies, and may be enforced by the Transferee Company as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been the original party or beneficiary or obliged thereto.

4.11 This Scheme has been drawn up to comply with the conditions relating to “amalgamation” as specified under Section 2(1B) of the IT Act. If any terms or provisions of the Scheme is/are inconsistent with the provisions of Section 2(1B) of the IT Act, the provisions of Section 2(1B) of the IT Act shall prevail and the Scheme shall stand modified to the extent necessary to comply with the provisions of Section 2(1B) of the IT Act, to the end and intent that the modifications shall not affect other parts of the Scheme.

4.12 Without prejudice to the provisions of the foregoing Clauses, upon the Scheme becoming effective, the Transferor Companies and the Transferee Company shall execute all necessary instruments or documents or do all acts and deeds as may be required, including making the necessary filings with the Appropriate Authority or any other third party in order to give formal effect to the above provisions, if required.

5. ACCOUNTING TREATMENT IN THE BOOKS AND FINANCIAL STATEMENTS OF THE TRANSFEREE COMPANY:

Upon the scheme coming into effect, the Transferee company shall account for the amalgamation of the Transferor Companies in the books of accounts in accordance with “Pooling of Interest Method” of accounting as laid down in Appendix C of Ind AS-103 (Business Combinations of entities under Common Control) notified under Section 133 of the Companies Act, 2013, under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time, in its books of accounts such that:

5.1 The Transferee Company shall record the assets and liabilities, if any, of the Transferor Companies vested in it pursuant to this Scheme, at the carrying amount as appearing in the consolidated financial statements of the parent company;

- 5.2 The identity of the reserves of the Transferor Companies shall be preserved and the Transferee Company shall record the reserves of the Transferor Companies, at the carrying amount as appearing in the consolidated financial statements of the parent company;
- 5.3 Pursuant to the amalgamation of the Transferor Companies with the Transferee Company, the inter-company balances between the Transferee Company and the Transferor Companies, if any appearing in the books of the Transferee Company shall stand cancelled and there shall be no further obligation in that behalf;
- 5.4 The value of all investments held by the Transferee Company in the Transferor Companies shall stand cancelled pursuant to amalgamation;
- 5.5 The surplus/deficit, if any arising after taking the effect of clause 5.1, 5.2 and clause 5.4, after giving the effect of the adjustments referred to in clause 5.3, shall be adjusted in “Capital Reserve” in the financial statements of the Transferee Company;
- 5.6 In case of any differences in accounting policies between the Transferor Companies and the Transferee Company, the accounting policies followed by the Transferee Companies shall prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies;
- 5.7 Comparative financial information in the financial statements of the Transferee Company shall be restated for the accounting impact of merger, as stated above, as if the merger had occurred from the beginning of the comparative period. However, if the business combination had occurred after a particular date, the prior period information shall be restated only from that date;

PART C

GENERAL TERMS AND CONDITIONS

6. TAXES AND TAXATION:

- 6.1 Upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the IT Act, Central Sales Tax, applicable state value added tax, goods and service tax, service tax laws, excise duty laws and other Tax laws, and to claim refunds and/or credit for Taxes paid (including, tax deducted at source, advance tax, minimum alternate tax credit, input tax credit etc.) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.

- 6.2 Without prejudice to the generality of the above and from the Appointed Date, all Tax benefits, incentives, credits (including, without limitation in respect of income tax, withholding tax, service tax, excise duty, central sales tax, applicable state value added tax, goods and service tax, input tax credit etc.) to which the Transferor Companies are entitled to in terms of the Applicable Laws, shall be available to and vest in the Transferee Company, upon this Scheme coming into effect.
- 6.3 All Taxes payable or paid by the Transferor Companies from the Appointed Date onwards for the operations of the Transferor Companies, including the Business, shall be to the account of the Transferee Company. Similarly, all Tax credits pertaining to the Transferor Companies, which accrue or arise on or after the Appointed Date, shall be made or deemed to have been made and duly complied with by the Transferee Company, if so made by the Transferor Companies. If, during the period between the Appointed Date and the Effective Date, any Tax returns or any other filings, representations or other submissions pertaining to the Transferor Companies are required to be filed or made by the Transferor Companies with or to the Tax authorities, the Transferor Companies shall do the same in consultation with the Transferee Company.

7 PERMITS:

With effect from the Appointed Date, all the permits held or availed of by, and all rights and benefits that have accrued to, the Transferor Companies, pursuant to the provisions of Section 230 to 232 of the Act, shall without any further act, instrument or deed, be transferred to and vest in or be deemed to have been transferred to and vested in and be available to, the Transferee Company so as to become as and from the Effective Date, the permits, estates, assets, rights, titles, interests and authorities of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible under the Applicable Laws. With effect from the Appointed Date and until the permits are transferred, vested, recorded, effected and/ or perfected, in the records of the Appropriate Authority, in favour of the Transferee Company, the Transferee Company is authorized to carry on business in the name and style of the Transferor Companies and under the relevant license and/ or permits and/ or approvals, as the case may be, and the Transferee Company shall keep a record and/ or account of all such transactions.

8 EMPLOYEES:

- 8.1 Upon this Scheme coming into effect and with effect from the Effective Date, the Transferee Company undertakes to engage all the employees of the Transferor Companies on the terms and conditions not less favourable than those on which they are engaged by the Transferor Companies, without any interruption of service, as a result of the amalgamation (merger by absorption) of the Transferor Companies into the Transferee Company.

- 8.2 The services of the transferred employees with the Transferor Companies prior to the transfer, as aforesaid, shall be taken into account for the purposes of all benefits to which the transferred employees may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans, superannuation plans and any other retirement benefits and accordingly, shall be reckoned therefore from the date of their appointment in the Transferor Companies.
- 8.3 It is expressly provided that, upon the Scheme becoming effective, the contributions made by the Transferor Companies in respect of the transferred employees under any Applicable Law to any provident fund, gratuity fund, contribution towards employees state insurance, superannuation fund, retirement fund or any other special fund or trusts created or existing for the benefit of the transferred employees (collectively referred to as the “Funds”) for the period after the Appointed Date shall be deemed to be contributions made by the Transferee Company, and the Funds shall be transferred to existing or similar Funds held or created by the Transferee Company, as the case may be and shall be held for their benefit pursuant to this Scheme or, at the Transferee Company’s sole discretion, maintained as separate Funds by the Transferee Company. It is clarified that the services of the employees of the Transferor Companies will be treated as having been continuous and not interrupted for the purpose of the said Fund or Funds. It is the aim and intent that all the rights, duties, powers and obligations of Transferor Companies in relation to such Funds shall become those of the Transferee Company. The Trustees including the Board of Directors of the Transferor Companies and the Transferee Company shall be entitled to adopt such course in this regard as may be advised.

9 LEGAL PROCEEDINGS:

If any suit, cause of action, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings of whatever nature (hereinafter called the “Proceedings”) by or against the Transferor Companies are pending on the Effective Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the amalgamation (merger by absorption) or of anything contained in this Scheme, but the proceedings may be continued, prosecuted and enforced by or against the Transferee 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 Transferor Companies, as if this Scheme had not been made.

On and from the Effective Date, the Transferee Company may initiate any legal proceedings for and on behalf of the Transferor Companies.

10 CONSIDERATION:

- 10.1 PAEON and OWN are wholly-owned subsidiaries of OAHTL and accordingly, no consideration, shall be payable pursuant to the amalgamation of PAEON and OWN into OAHTL

10.2 Upon the Scheme becoming effective, and in consideration of PAEON and OWN amalgamating into OAHTL, all the equity shares and the preference shares held by OAHTL on the Effective Date (held either directly or through its nominees) in PAEON and OWN shall stand cancelled pursuant to this Scheme, without any further application, act or deed.

11 POWER OF ATTORNEY:

Upon the coming into effect of this Scheme, the resolutions or power of attorney/(s) if any, executed by the Transferor Companies, as are considered necessary by the Board of the Transferee Company, and that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered be the resolutions and power of attorney/(s) passed/executed by the Transferee Company, and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits as are considered necessary by the Board of the Transferee Company shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

12 CONTRACTS, DEEDS AND OTHER INSTRUMENTS:

12.1 Subject to the other provisions of the Scheme, all contracts, including licenses, deeds, bonds, agreements, insurance policies, guarantees, arrangements and other instruments of whatsoever nature to which the Transferor Companies are a party, or the benefit to which the Transferor Companies may be eligible, subsisting or operative immediately on or before the Effective Date, shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectively as if instead of the Transferor Companies, the Transferee Company had been a party or beneficiary thereto. The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmation or enter into any tripartite agreement, confirmations or novations to which the Transferor Companies will, if necessary, also be a party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. Further, the Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Companies and to implement or carry out all formalities required on the part of the Transferor Companies to give effect to the provisions of this Scheme.

12.2 All lease / license or rent agreements entered into by the Transferor Companies with various landlords, owners and lessors including lease agreements, leave and license agreements entered into with any government authorities / regulators together with security deposits and advance / prepaid lease / license fee, etc., shall stand automatically transferred and vested in favour of the Transferee Company on the same terms and conditions and without any further act, instrument, deed, matter or thing being made, done or executed. The Transferee Company shall continue to pay lease or license fee as provided for in such agreements, and the Transferee Company and

the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants thereunder. Without limiting the generality of the foregoing, the Transferee Company shall also be entitled to refund of any security deposits paid, under any such agreements by the Transferor Companies.

13 SAVING OF CONCLUDED TRANSACTIONS:

The transfer and vesting of the entire business of the Transferor Companies pursuant to this Scheme, and the continuance of legal proceedings under Clause 9 above shall not affect any transaction or proceedings already concluded by the Transferor Companies on or 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 Companies in respect thereto, as if it were done and executed on its behalf.

14 CONSOLIDATION OF AUTHORISED SHARE CAPITAL AND AMENDMENTS IN MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION OF THE TRANSFEREE COMPANY:

A. *CAPITAL CLAUSE:

- 14.1 Upon coming into effect of the Scheme, the Authorized Share Capital of the Transferor Companies as provided in Clause 3.2 and 3.3 above, or such amount as may be on the Effective Date, shall be added to the Authorised Share Capital of the Transferee Company, as on the Effective Date, without any further act or deed and without any further payment of stamp duty or the registration fees and Clause V of the Memorandum of Association of the Transferee Company shall stand altered, modified and amended accordingly.
- 14.2 Upon the coming into effect of the Scheme, the Authorized Share Capital of OAHTL, the Transferee Company, shall stand altered and increased from its existing capital structure of 2,75,00,000 Equity Shares of Rs. 10/- each and 3,00,00,000 Preference Shares of Rs. 10/- each to 6,95,00,000 Equity Shares of Rs. 10/- each and 3,47,50,000 Preference Shares of Rs. 10/- each.
- 14.3 Upon the coming into effect of the Scheme, the Authorised Share Capital of OAHTL shall be as under:

Particulars	Amount (In Rs.)
Authorized Share Capital	
6,95,00,000 Equity Shares of Rs. 10/- each	69,50,00,000
3,47,50,000 Preference Shares of Rs. 10/- each	34,75,00,000

Particulars	Amount (In Rs.)
Total	1,04,25,00,000

14.4 Upon the Scheme becoming effective, Clause V(a) of the Memorandum of Association of the Transferee Company shall respectively stand substituted by virtue of the Scheme to read as follows:

Clause V(a) of the Memorandum of Association:

“The Authorised Share Capital of the company is Rs. 1,04,25,00,000/- (Rupees One Hundred and Four Crores, Twenty Five Lakhs only) divided into 6,95,00,000 (Six Crores Ninety Five Lakhs) Equity Shares of Rs. 10 each and 3,47,50,000 (Three Crores Forty Seven Lakhs Fifty Thousand Only) Preference shares of Rs. 10 each.”

14.5 Upon approval of the Scheme by the members of Transferee Company pursuant to Section 230 to 232 of the Act, it shall be deemed that the said members have also accorded all relevant consents under Sections 13, 14, 61 and other applicable provisions of Companies Act, 2013 as may be applicable for the purpose of amendment of the Memorandum of Association of the Transferee Company as above. It is clarified that there will be no need to pass a separate shareholders’ resolution and convene a shareholder’ meeting as required under Sections 13, 14, 61 of the Act for effectuating any amendment to the Memorandum of Association of the Transferee Company.

**Modified from 6,85,00,000 Equity Shares of Rs. 10/- each to 6,95,00,000 Equity Shares of Rs. 10/- each due to increase in Authorised Share Capital.*

B. OBJECT CLAUSE:

Upon the Scheme becoming effective, the following clauses enabling the Transferee Company to undertake the actual activities of the Transferor Companies shall be inserted in Clause III of the Memorandum of Association of the Transferee Company as its Main Objects:

“ To carry on the business as manufacturers, producers, buyers, sellers, traders, exporters, importers, wholesalers, retailers, agents, offline and online dealers and distributors in nutraceuticals, food supplements, ayurvedic, herbal formulations, pharmaceuticals and cosmetics in the form of parenteral preparations, tablets, capsules, soft gel, oral liquids, ointments, powders and other external preparations and to undertake research and development of products and processes, sell, research and provide all related services in the above areas in India and abroad both offline and online/ecommerce mode.”

Under the accepted principles of Single Window Clearance, it is hereby provided that the aforesaid alterations in the Memorandum and Articles of Association of the Transferee Company, viz change in Capital Clause and Object Clause referred hereinabove, shall become operative on the Scheme being effective by virtue of the fact that the Shareholders of the Transferee Company, while approving the Scheme as a whole, either in form of the written consent letters, or at the meeting, have accorded the relevant consents as required under the Act and shall not be required to separately follow the procedure of convening shareholder's meeting and passing special resolutions as required under the Act.

15 DISSOLUTION OF TRANSFEROR COMPANIES:

Upon the Scheme becoming effective, the Transferor Companies shall stand dissolved without being wound up and without any further act by the Parties with effect from the Effective Date.

16 DIVIDENDS:

16.1 During the period between the date of approval of this Scheme by its Board of Directors and up to and including the Effective Date, the Transferor Companies shall not be entitled to declare or pay any dividends.

17 CONDUCT OF BUSINESS UPTO THE EFFECTIVE DATE:

17.1 With effect from the date of approval of this Scheme by the respective Boards and from the Appointed Date and up to and including the Effective Date:

17.1.1 All the assets, investments, liabilities and obligations of the Transferor Companies, shall continue to belong to and be vested in and be managed by the Transferee Company;

17.1.2 All profits or income arising or accruing in favour of the Transferor Companies whether or not in relation to the Business and all Taxes paid thereon or losses, expenditures arising or incurred by the Transferor Companies in relation thereto shall, for all purposes, be treated as and deemed to be the profits or income, Taxes or losses, expenditures as the case may be, of the Transferee Company;

17.1.3 All legal, taxation and/ or other proceedings by or against the Transferor Companies under any statute, whether pending on the Effective Date or which may be instituted at any time thereafter and relating to the business of the Transferor Companies (including those relating to any property, right, power, liability, obligation or duties of the Transferor Companies) shall be continued and enforced against the Transferee Company;

- 17.1.4 If any proceedings are initiated against the Transferee Company in respect of any of the Transferor Companies matters referred to in Clause 17.1.3 above relating its business, the Transferee Company shall defend the same in accordance with the advice of the Transferor Companies and at its own cost;
- 17.1.5 The Transferor Companies shall carry on their business with reasonable diligence and business prudence and in the same manner as they had been doing hitherto, and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for themselves or on behalf of its respective affiliates or associates or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal in any of its properties/assets, except; to the extent that:
- i. the same is expressly provided in this Scheme; or
 - ii. the same is in the ordinary course of business as carried on by the Transferor Companies as on the Appointed Date; or
 - iii. the written consent of the Transferee Company, has been obtained in this regard;
- 17.1.6 The Transferor Companies shall not alter or substantially expand its business or undertake (i) any material decision in relation to its business and affairs and operations, other than that in the ordinary course of business; (ii) Any agreement or transaction, other than an agreement or transaction in the ordinary course of business; and (iii) any new business or discontinue any existing business or change its capacity or facilities other than that in the ordinary course of business, except with the written concurrence of the Transferee Company;
- 17.1.7 The Transferor Companies shall not vary the terms and conditions of employment of any of its employees, except in the ordinary course of business or pursuant to any pre-existing obligation undertaken except with the written concurrence of the Transferee Company, as the case maybe;
- 17.1.8 The Transferor Companies shall not amend its Memorandum of Association or Articles of Association, except with the written concurrence of the Transferee Company, unless required to be done pursuant to any action between the Appointed Date and Effective Date, which are expressly permitted under this Scheme;
- 17.1.9 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Appropriate Authorities concerned as are necessary under any law for such

consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferor Companies and to give effect to the Scheme;

17.1.10 For the purpose of giving effect to an Order passed under the provisions of Section 230 to 232 of the Act in respect of this Scheme by the Competent Authority, the Transferee Company shall always be deemed to have been authorized to execute any pleadings, applications, forms, etc., as may be required to remove any difficulties and facilitate and carry out any formalities or compliances as are necessary for the implementation of this Scheme. For the purpose of giving effect to the vesting order passed under Section 230 to 232 of the Act in respect of this Scheme, the Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay all Taxes and charges and fulfil all its obligations in accordance with the terms hereof, without any further act or deed to be done or executed by the Transferor Companies or Transferee Company as the case may be. It is clarified that the Transferee Company shall be entitled to engage in such correspondence and make such representations, as may be necessary, with any governmental or regulatory authority, if required under any law for such consents and approvals which may be required for the purposes of giving effect to the Scheme.

18 APPLICATION TO THE COMPETENT AUTHORITY:

18.1 The Transferor Companies and the Transferee Company shall make all applications/petitions in pursuance to the provisions of Section 230 to 232 of the Act and other applicable provisions of the Act and applicable laws to the Competent Authority and/or Registrar of Companies, as may be applicable for sanctioning of this Scheme and for carrying this Scheme into effect and obtaining all approvals as may be required under law.

19 MODIFICATION OR AMENDMENTS TO THE SCHEME:

The Transferor Companies (by their Board of Directors or Committee or authorized person thereof) and the Transferee Company (by their Board of Directors or Committee or authorized person thereof) may assent to any modification(s) / amendment(s) to the Scheme or to any conditions or limitations that the Competent Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors or Committee or an Authorized Person thereof). The Transferor Companies and the Transferee Company, by their respective Board of Directors, be and are hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/ or any matter concerned or connected therewith.

20 CONDITIONALITY OF THE SCHEME:

This Scheme is and shall be conditional upon and subject to the following:

- 20.1 Approval of this Scheme by the requisite majority of each class of the respective members and creditors of the Transferor Companies and the Transferee Company, if applicable or as may be prescribed by the Competent Authority in terms of the applicable provisions of the Act or in the event that a dispensation of the meeting of members and creditors is granted/ordered by the Competent Authority;
- 20.2 Sanction of this Scheme by the Competent Authority under Section 230 to 232 and other applicable provisions, if any, of the Act, being obtained by the Transferee Company and the Transferor Companies; and
- 20.3 Certified or Authenticated Copy of the Order of the Competent Authority sanctioning the Scheme being filed by the Transferor Companies and the Transferee Company with the Registrar of Companies, Maharashtra at Mumbai.

21 EFFECT OF NON-RECEIPT OF APPROVALS:

In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and/ or the Scheme not being sanctioned by the Competent Authority and / or the Order not being passed as aforesaid within such period or periods as may be agreed upon between the Transferee Company and the Transferor Companies by their Boards of Directors or Committee or Authorized Person (and which the Boards of Directors or Committee or Authorized Person of the Company is hereby empowered and authorized to agree to and extend the Scheme from time to time without any limitation), 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. The Transferee Company shall bear and pay their entire costs, charges and expenses for and or in connection with the Scheme.

22 COSTS, CHARGES & EXPENSES:

All costs, charges and expenses (including, but not limited to, any and duties, stamp duty, registration charges, etc.) of /payable by the Transferor Companies and the Transferee Company in relation to or in connection with the Scheme and incidental to the completion of the amalgamation of the Transferor Companies with the Transferee Company in pursuance of this Scheme shall be borne and paid by the Transferee Company.

23 SAVINGS:

Nothing contained in this Scheme shall be deemed to operate as a waiver or modification of the rights/obligations of the Transferor Companies, Transferee Company and / or any of its shareholders that may arise from any agreement, arrangement, undertaking, deed or any other document executed in writing between any of them in relation to the amalgamation (merger by absorption) of the Transferor Companies with the Transferee Company as contemplated under this Scheme.

24 MISCELLANEOUS

If any part of this Scheme hereof is found to be invalid, ruled illegal by any Court or Tribunal of competent jurisdiction or unenforceable under present or future laws, then it is the intention of the Parties to the Scheme that such part shall be severable from the remainder of the Scheme, and the remaining part of the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any Party, in which case the Parties to the Scheme shall attempt to bring about a modification in the Scheme, as will best preserve for such Parties the benefits and obligations of the Scheme, including but not limited to such part.