**SCHEME OF ARRANGEMENT**

**BETWEEN**

**IGENETIC DIAGNOSTICS PRIVATE LIMITED ('THE DEMERGED COMPANY' OR 'iGen')**

**AND**

**HEALTHMAP DIAGNOSTICS PRIVATE LIMITED ('THE RESULTING COMPANY' OR 'HealthMap')**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

## A) Preamble

This Scheme of Arrangement ("**Scheme**", more particularly defined hereinafter) is presented under Sections 230 – 232 and other applicable provisions of the Companies Act, 2013, rules and regulations thereunder, including any statutory modifications or re-enactments or amendments thereof, to the extent applicable and for the time being in force and also read with Section 2(19AA) and other relevant provisions of the Income Tax Act, 1961, to the extent applicable, for demerger, transfer and vesting of the Demerged Undertaking (*as defined below*) of iGen into HealthMap on a going concern basis.

This Scheme also provides for various other matters consequential or otherwise integrally connected herewith.



## B) Description and background of the Parties to the Scheme

iGenetic Diagnostics Private Limited (hereinafter referred to as the "**Demerged Company**" or "**iGen**") is a private limited company incorporated under the provisions of the Companies Act, 2013 with CIN: U33111MH2013PTC250977 and having its registered office situated at 35, Krishna North Villas, Bengaluru, Karnataka - 560013, India. The Demerged Company is engaged in the business of conducting routine and specialized pathological tests, varied diagnostic tests, and operations and management of diagnostic centres for the same.

HealthMap Diagnostics Private Limited (hereinafter referred to as the "**Resulting Company**" or "**HealthMap**") is a private limited company incorporated under the provisions of the Companies Act, 2013 with CIN: U85110KA2015PTC079665 and having its registered office situated at Annexe, #98/2, Rustom Bagh, HAL Airport Road, Bengaluru 560017. The Resulting Company is *inter alia* engaged in the business providing radiology and onco-diagnostics services in India.

## C) Rationale for the Scheme

The Board of Directors of both the Demerged Company and the Resulting Company have considered and approved this Scheme of Demerger for the transfer and vesting of the Demerged Undertaking (*as defined below*) from the Demerged Company to the Resulting Company which would *inter alia,* result in unlocking, achieving the following benefits for the Demerged Company and the Resulting Company.

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- Consolidation of the diagnostics business in an efficient manner and building strong capability to effectively meet future challenges in competitive business environment.

- More focused management and greater visibility on the performance of the individual business.

- Synergies in operational process and creation of efficiencies by benefiting customers and optimization of operation and capital expenditure.

- Leading to increased competitive strength, cost reduction and efficiencies by pooling the financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies which will contribute to future growth.

Considering the above, the Scheme is expected to be beneficial to the Demerged Company and the Resulting Company and their respective shareholders, creditors and all other stakeholders and will enable the Demerged Company and the Resulting Company to achieve and fulfil their objectives more efficiently and economically.

**D)** Parts of the Scheme

The Scheme is divided into the following parts:

a) **Part A** of the Scheme deals with the definitions of the capitalized terms used in this Scheme, interpretation of the Scheme and sets out the share capital of the Demerged Company and the Resulting Company;

b) **Part B** of the Scheme deals with the demerger of the Demerged Undertaking (*as defined below*) of the Demerged Company as a going concern into the Resulting Company, consideration for the said demerger, the accounting treatment and other incidental matters thereto;

c) **Part C** deals with the general terms and conditions applicable to this Scheme and other matters consequential, incidental or otherwise integrally connected thereto.

**E)** The arrangement under this Scheme will be affected under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The demerger of the Demerged Undertaking of the Demerged Company, vesting with the Resulting Company shall be in compliance with the provisions of Section 2(19AA) of the Income-tax Act, 1961.

## PART A:

## DEFINITIONS AND SHARE CAPITAL

1. **Definitions**: In this Scheme unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:

1.1. **"Act" or "the Act"** means the Companies Act, 2013, the rules and regulations, framed thereunder and includes any statutory modifications, alterations and amendments made thereof, from time to time and includes any re-enactment of such a statute, and/or other guidelines or notifications as maybe applicable for the time being in force;

1.2. **"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;

1.3. **"Appointed Date"** means April 1, 2022 or such other date as may be fixed by the National Company Law Tribunal or mutually agreed by the Board of Directors of the Demerged Company and the Resulting Company;

1.4. **"Appropriate Authority"** means any applicable Central, State or local Government, legislative body, regulatory, administrative or statutory authority, agency or commission or department or public or judicial body or authority, including, but not limited, to Regional Director, Registrar of Companies, National Company Law Tribunal;



1.5. **"Board of Directors" or "Board"** in relation to the Demerged Company and the Resulting Company, as the case may be, means the Board of Directors of such company, and unless repugnant to the subject, context or meaning thereof, shall be deemed to include every committee (including any committee of directors) or any person authorized by the Board or by any such committee;

1.6. **"Demerged Undertaking"** means the business of conducting routine and specialized pathological tests, varied diagnostic tests, and operations and management of diagnostic centres for the same, undertaken by iGen on a going concern basis and shall include all the assets (movable, immovable, tangible and / or intangible) and liabilities which relate thereto, or are necessary therefore as on the Appointed Date and including specifically the following:

(a) All assets, title, properties (including leasehold/rented premises or buildings), interests, benefits, investments, loans, advances (including accrued interest) and rights, including rights arising under contracts, wherever located (including in the possession of vendors, third parties or elsewhere), whether real, personal or mixed, tangible, intangible or contingent, exclusively used or held for use in business, activities and operations, including but not limited to all land together with the buildings and structures standing thereon and rights and interests in all land and office building(s), equipment, machinery, offices, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, receivables, deposits, all stocks, assets, balances with banks, cash and cash equivalents, all customer contracts, contingent rights, credit for service tax, sales tax / value added tax / goods and service tax and / or any other statues, incentives, if any, advantages, privileges, exemptions, credits, holidays, remissions, reductions, etc. pertaining to its Demerged Undertaking (collectively, the **"Demerged Undertaking Assets"**);

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(b) All debts (secured or unsecured), liabilities, guarantees, indemnities, assurances, commitments, bank guarantees and obligations of any nature or description, whether fixed, contingent or absolute present or future, asserted or un-asserted, matured or un-matured, liquidated or unliquidated, accrued or not accrued, due or to become due, whenever or however arising, (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability), deferred tax liability, etc. pertaining to the Demerged Undertaking activities (collectively, "**Demerged Undertaking Liabilities**") and for the avoidance of doubts, it excludes guarantees, indemnities, assurances, liabilities, claims, taxes, commitments and obligations issued or undertaken by the Demerged Company to the banks and / or financial institutions for the Remaining Business;

(c) All contracts (whether with governmental agencies or otherwise) including existing customer contracts, agreements, licenses, leases, linkages, memoranda of undertakings, memoranda of agreement, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders or other instruments of whatsoever nature to which the Demerged Company is a party, relating to the undertaking, business, activities and operations pertaining to the Demerged Undertakingor otherwise identified to be for the benefit of the Demerged Undertaking, including but not limited to the relevant licenses, environment approvals, and all other rights and approvals, electricity permits, telephone connections, building and parking rights, pending applications for consents or extension, all incentives, subsidies, concessions, benefits, grants, rights, claims, liberties, special status and privileges enjoyed or conferred upon or held or availed of by the Demerged Company in relation to the Demerged Undertaking, permits, quotas, consents, registrations, lease, tenancy rights in relation to office properties, permissions, incentives, if any, in relation to the Demerged Undertaking, and all other rights, title, interests, privileges and benefits of every kind in relation to the Demerged Undertaking (collectively, "**Demerged Undertaking Contracts**");



(d) All intellectual property rights (whether proprietary or non-proprietary), including but not limited to registrations, brands, trademarks, trade names, source codes, computer programmes, websites, manuals, data, service marks, copyrights, patents, designs, domain names, software, licenses, source codes and scripts, research and studies, technical knowhow, confidential information and other benefits (in each case including the benefit of any applications made for the same) exclusively used by or held for use by the Demerged Company in the Demerged Undertaking (collectively, **Demerged Undertaking IP**")

(e) All permits, licenses (including the licenses granted by any Appropriate Authority or regulatory bodies for the purpose of carrying on its business or in connection therewith), environmental clearances, consent orders, consents, approvals, permissions, sanctions, authorizations, registrations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges, powers, facilities of every kind and description of whatsoever nature and similar rights, and any waiver of the foregoing, issued by any legislative, executive, or judicial unit of any Governmental or semi-Governmental entity or any department, commission, board, agency, bureau, official or other regulatory, local, administrative or judicial authority exclusively used or held for use by the Demerged Company in the undertaking, business, activities and operations pertaining to the Demerged Undertaking (collectively, "**Demerged Undertaking Licenses**");

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(f) All such permanent employees of the Demerged Company, employees/personnel engaged on contract basis and interns/ trainees, as are solely and exclusively engaged in or in relation to the Demerged Undertaking, activities and operations pertaining to the Demerged Undertaking, at its respective offices, branches or centres, and any other employees/personnel and interns/trainees hired by the Demerged Company after the date hereof who are exclusively engaged in or in relation to the Demerged Undertaking, activities and operations pertaining to the Demerged Undertaking (collectively, "**Demerged Undertaking Employees**");

(g) All deposits and balances with Government, semi-government, local and other authorities and bodies, customers and other persons, earnest moneys and/ or security deposits paid or received by the Demerged Company, directly or indirectly in connection with or in relation to the Demerged Undertaking of the Demerged Company;

(h) All books, records, files, papers, process information, computer programs, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information directly or indirectly relating to the Demerged Undertaking of the Demerged Company, whether kept in electronic form or otherwise;

(i) all concessions, exemptions, benefits under tax laws including sales tax deferrals, right to carry forward and set-off accumulated losses and unabsorbed depreciation, if any, deferred tax assets, goods and service tax credit, deductions and benefits under the Income Tax Act or any other taxation statute enjoyed by the Demerged Company solely with respect to the Demerged Undertaking, in accordance with the provisions of the said statutes; and

(j) any other asset / liability which is pertaining to the Demerged Undertaking.



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 shall be decided by mutual agreement between the Board of the Demerged Company and the Resulting Company.

1.7. **"Demerged Company" or "iGen"** means iGenetic Diagnostics Private Limited, a company incorporated under the Companies Act, 2013 and validly subsisting under the Companies Act, 2013, and having its registered office at 35, Krishna North Villas, Bengaluru, Karnataka - 560013, India;

1.8. **"Effective Date" or "coming into effect of this Scheme" or "upon the scheme becoming effective" or "effectiveness of the scheme" or "upon this Scheme coming into effect"** means the date on which the certified copy of the order of the National Company Law Tribunal sanctioning the Scheme is filed with the Registrar of Companies by the Demerged Company and the Resulting Company, whichever is later;

1.9. **"iGen ESOPs"** means the employee stock options issued to the employees of iGen employed/engaged in the Demerged Undertaking as on the Effective Date, pursuant to the iGen ESOP Scheme.

1.10. **"iGen ESOP Scheme"** means the 2019 ESOP Scheme of iGen consisting of 5,000 stock options as approved by their Board and shareholders.

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1.11. **"National Company Law Tribunal" or "Tribunal" or "NCLT"** means the National Company Law Tribunal, Bangalore Bench as constituted and authorized as per the provisions of the Act for approving any scheme of arrangement, compromise or reconstruction of companies under Section 230 – 232 and other applicable provisions of the Act;

1.12. **"Record Date"** shall be the date to be fixed by the Board of the Resulting Company in consultation with the Board of Demerged Company for the purpose of determining the equity shareholders of Demerged Company to whom the Resulting Company shall issue equity shares in consideration for the demerger of the Demerged Undertaking pursuant to this Scheme;

1.13. **"Remaining Business"** means the residual business of the Demerged Company as would remain immediately after transfer and vesting of the Demerged Undertaking to the Resulting Company;

1.14. **"Resulting Company" or "HealthMap"** means HealthMap Diagnostics Private Limited, a company incorporated under the Act and having registered office at The Annexe, #98/2, Rustom Bagh, Hal Airport Road, Bangalore, 560017, Karnataka, India.

1.15. **"Scheme" or "the Scheme" or "this Scheme"** means the Scheme of Arrangement in its present form (along with any annexures, schedules, etc., annexed/attached hereto) or with any modification(s) and amendments made under Clause 15 of this Scheme from time to time and with appropriate approvals and sanctions as imposed or directed by the Tribunal or such other competent authority, as may be required under the Act, as applicable, and under all other applicable laws;

1.16. **"Equity Share Entitlement Ratio"** means the ratio in which the equity shares of the Resulting Company are to be issued and allotted to the relevant shareholders of iGen on demerger as per Part B of this Scheme;



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

In the Scheme, unless the context otherwise requires:

(i) reference to clauses, recitals and schedules, unless otherwise provided, are to clauses, recitals and schedules of and to this Scheme;

(ii) references to the singular shall include the plural and vice versa and references to any gender includes the other gender;

(iii) references to a statute or statutory provision include that statute or provision as from time to time modified or re-enacted or consolidated and (so far as liability thereunder may exist or can arise) shall include also any past statutory provision (as from time to time modified or re-enacted or consolidated) which such provision has directly or indirectly replaced, provided that nothing in this Clause shall operate to increase the liability of any Party beyond that which would have existed had this Clause been omitted.

2. **Date Of Taking Effect and Operative Date**

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2.1. The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT or made as per Clause 15 of the Scheme, shall be effective from the Appointed Date and shall be operative from the Effective Date.

3. **Compliance with tax law**

3.1. In so far as the Scheme relates to the demerger of Demerged Undertaking of Demerged Company, the Scheme has been drawn up to comply with the provisions of Section 2(19AA) of the Income-tax Act.

3.2. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the Applicable Law at a later date including resulting from an amendment of Law or for any other reason whatsoever, the provisions of such Applicable Law shall prevail, and the Scheme shall stand modified to the extent determined necessary to comply with the applicable provisions. Such modification will however not affect the other parts of the Scheme and the power to make any such amendments shall vest with the Board of Directors or any other committee of the Board to which power is delegated of Demerged Company and Resulting Company.

4. **Share Capital**

4.1. The authorized, issued, subscribed and paid-up share capital of iGen as on June 30, 2022 is as under:

| Particulars | Amount in INR |
|---|---|
| Authorised Capital | |
| 1,06,420 Series A Equity Shares of Rs. 100/- each | 1,06,42,000 |
| 8,580 Series A1 Equity Shares of Rs. 100/- each | 8,58,000 |
| 103,215 Series B Equity Shares of Rs. 100/- each | 1,03,21,500 |
| 1,56,785 Series C Equity Shares of Rs. 100/- each | 1,56,78,500 |
| **Total** | **3,75,00,000** |
| Issued, Subscribed and Paid-up | |
| 65,335 Series A Equity Shares of Rs. 100/- each | 65,33,500 |
| 8,495 Series A1 Equity Shares of Rs. 100/- each | 8,49,500 |
| 61,996 Series B Equity Shares of Rs. 100/- each | 61,99,600 |
| 35,166 Series C Equity Shares of Rs. 100/- each | 35,16,600 |
| **Total** | **1,70,99,200** |



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From June 30, 2022 until the date of the Scheme being approved by the Board of iGen, there has been no change in the authorised, issued, subscribed and paid-up share capital of iGen.

4.2. The authorized, issued, subscribed and paid-up share capital of HealthMap as on September 15, 2022 is as under:

| Particulars | Amount in INR |
|---|---|
| Authorized Capital | |
| Equity Shares of Rs. 10/- each | 150,00,00,000 |
| **Total** | **150,00,00,000** |
| Issued, Subscribed and Paid-up | |
| Equity Shares of Rs. 10 each, fully paid up | 80,59,50,100 |
| **Total** | **80,59,50,100** |

From September 15, 2022 until the date of the Scheme being approved by the Board of HealthMap, there has been no change in the authorized, issued, subscribed and paid up share capital of HealthMap.

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## PART B:

## DEMERGER OF THE DEMERGED UNDERTAKING FROM THE DEMERGED COMPANY INTO THE RESULTING COMPANY

5. Transfer and Vesting of Demerged Undertaking from the Demerged Company into the Resulting Company

5.1. Upon the Scheme being effective and with effect from the Appointed Date, and subject to the provisions of this Scheme and pursuant to Sections 230 to 232 of the Act read with other relevant provisions of the Act, the Demerged Undertaking of the Demerged Company shall, without any further act, instrument or deed be transferred to and vested in or deemed to be transferred to and vested in the Resulting Company, as a going concern, in accordance with Section 2(19AA) of the Income Tax Act, 1961. Without generality of the provisions stated above, the Demerged Undertaking shall stand transferred and vested to the Resulting Company in the following manner:

5.1.1. All Demerged Undertaking Assets that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by operation of law pursuant to the vesting order of the NCLT sanctioning the Scheme and its filing with the Registrar of Companies shall stand vested in the Resulting Company and shall be deemed to be and become the property and as an integral part of the Resulting Company by operation of law. The vesting order and sanction of the Scheme shall operate in relation to the movable property in accordance with its normal mode of vesting through the Resulting Company and as the context may provide, by physical or constructive delivery or novation, or by endorsement and delivery, or by mere operation of the vesting order and its record of registration with the Registrar in accordance with the Act, as appropriate to the nature of the movable property vested. Upon the Scheme becoming effective the title to such property shall be deemed to have been mutated and recognized as that of the Resulting Company.



5.1.2. All Demerged Undertaking Assets that are other movable properties, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, pursuant to the vesting order and by operation of law become the property of the Resulting Company, and the title thereof together with all rights, interests or obligations therein shall be deemed to have been mutated and recorded as that of the Resulting Company and any document of title pertaining to the assets of the Demerged Undertaking shall also be deemed to have been mutated and recorded as title of the Resulting Company to the same extent and manner as originally held by the Demerged Company and enabling the ownership, right, title and interest therein as if the Resulting Company was originally the Demerged Company. The Resulting Company shall, subsequent to the vesting order be entitled to the delivery and possession of all documents of title of such movable property in this regard.

5.1.3. All immovable properties of the Demerged Undertaking Assets, including owned land, leasehold land, together with the buildings and structures standing thereon and rights and interests in immovable properties of the Demerged Undertaking, whether freehold or leasehold or otherwise and all documents of title, rights, sanctions, approvals, licenses, registrations, connections, applications for utilities and easements in relation thereto shall

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stand vested in and/or be deemed to have been vested in the Resulting Company, by operation of law pursuant to the vesting order of the NCLT sanctioning the Scheme, and its filings with the Registrar of Companies. The Resulting Company shall upon this Scheme becoming effective be always entitled to all the rights and privileges attached in relation to such immovable properties and shall be liable to pay appropriate rent, rates and taxes and fulfil all obligations in relation thereto or as applicable to such immovable properties. Upon the Scheme becoming effective, the title to such properties shall deemed to have been mutated and recognized as that of the Resulting Company and the mere filing thereof with the appropriate Registrar or Sub-Registrar of Assurances or with the relevant Government shall suffice as record of continuing titles with the Resulting Company pursuant to the Scheme becoming effective and shall constitute a deemed mutation and substitution thereof. The Resulting Company shall, subsequent to the vesting order be entitled to the delivery and possession of all documents of title to such immovable properties in this regard. It is hereby clarified that all the rights, title and interest of the Demerged Undertaking in any leave & license, leasehold properties shall, pursuant to Section 232 of the Act and the provisions of this Scheme, without any further act, instrument or deed, be vested in or be deemed to have been vested in the Resulting Company.

5.1.4. Notwithstanding anything contained in this Scheme, in respect of the immovable properties pertaining to the Demerged Undertaking of the Demerged Company, whether owned or leased, the Board of the Demerged Company and/or Resulting Company may determine, for the purpose *inter alia* of payment of stamp duty, and vesting unto the Resulting Company and if the Board of the Demerged Company and/or Resulting Company so decide, the concerned parties, whether executed before or after the Effective Date, shall execute and register or cause so as to be done, separate deeds of conveyance or deed of assignment of lease, as the case may be, in favour of the Resulting Company in respect of such immovable properties. Each of the immovable properties, only for the purposes of payment of stamp duty (if required under the Applicable Law), shall be deemed to be conveyed at a consideration being the ready-reckoner value of such properties. The execution of such conveyance shall form an integral part of the Scheme.



5.1.5. All Demerged Undertaking Liabilities, including debts, liabilities (including the sales tax deferral liability), contingent liabilities, duties and obligations, secured or unsecured, present or future, know or unknown shall stand vested in the Resulting Company and shall upon the Scheme becoming effective be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company, and the Resulting Company shall undertake to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. It is hereby clarified that 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.

5.1.6. The transfer and vesting as aforesaid of the debts / liabilities shall be subject to the existing charges/ hypothecation/ mortgages, if any, as may be subsisting and created over or in respect of the said assets or any part thereof, provided however, any reference in any security documents or arrangements with respect to Demerged Undertaking to which the Demerged Company is a party wherein the assets of the Demerged Undertaking 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 those assets pertaining to the Demerged Undertaking and vested in the

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Resulting 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, if any of the Resulting Company.

Provided that the Scheme shall not operate to enlarge the security for the said liabilities relating to the Demerged Undertaking which shall vest in Resulting Company by virtue of the Scheme and the Resulting Company shall not be obliged to create any further, or additional security thereof after the demerger Scheme has become effective or otherwise. The transfer/ vesting of the assets of the Demerged Undertaking as aforesaid shall be subject to the existing charges/ hypothecation/ mortgages over or in respect of the assets or any part thereof of the Demerged Undertaking.

5.1.7. All Demerged Undertaking Contracts including contracts, existing customer contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies) for the purpose of carrying on the Demerged Undertaking of the Demerged Company, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Demerged Undertaking, or to the benefit of which Demerged Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date, shall by endorsement, delivery or by operation of law pursuant to the vesting order of NCLT sanctioning the Scheme, and its filing with the Registrar of Companies, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies) of the Resulting Company. Such properties and rights described hereinabove shall stand vested in the Resulting Company and shall be deemed to be the property and become the property by operation of law as an integral part of the Resulting Company. Such contracts and properties described above shall continue to be in full force and continue as effective as hitherto in favour of or against the Resulting Company and shall be the legal and enforceable rights and interests of the Resulting Company, which can be enforced and acted upon as fully and effectually as if, it were the Demerged Company, as the Resulting Company is its successor in interest. Upon the Scheme becoming effective, the rights, duties, obligations, interests flowing from such contracts and properties, shall be deemed to have been entered in and novated to the Resulting Company by operation of law and the Resulting Company shall be deemed to be its substituted party or beneficiary or obligor thereto. In relation to the same any procedural requirements required to be fulfilled solely by the Demerged Company (and not by any of its successors), shall be fulfilled by the Resulting Company as if it were the duly constituted attorney of the Demerged Company. Upon this Scheme becoming effective and with effect from the Appointed Date, any contract of the Demerged Company relating to or benefiting at present the Demerged Company and the Demerged Undertaking, shall be deemed to constitute separate contracts, thereby relating to and/or benefiting the Resulting Company.



5.1.8. All the Demerged Undertaking Employees shall become employees of and be employed / appointed by the Resulting Company pursuant to the vesting order and by operation of law, with effect from the Effective Date on such terms and conditions as are no less favourable than those on which they are currently engaged by the Demerged Company, without any interruption of service as a result of this demerger, without any further act, deed or instrument on the part of the Demerged Company or the Resulting Company. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees, the Resulting Company shall stand substituted for the

Demerged Company for all purposes whatsoever, upon this Scheme becoming effective, including with regard to the obligation to make contributions to relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by the Demerged Company, in accordance with the provisions of applicable laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to such employees and the services of all such employees of the Demerged Company for such purpose shall be treated as having been continuous.

5.1.9. All Demerged Undertaking IP pertaining to the Demerged Undertaking of the Demerged Company and which are subsisting or having effect immediately before the Effective Date stand vested in the Resulting Company without any further act, instrument or deed (unless filed only for statistical record with any appropriate authority or Registrar), upon filing of the order of the NCLT sanctioning the Scheme, with the Registrar of Companies. Any other intellectual property rights (not specifically covered above) presently held by the Demerged Company, that relates to or benefit at present the Demerged Company and the Demerged Undertaking, and which are subsisting or having effect immediately before the Effective Date, shall be deemed to constitute separate intellectual property rights and the necessary substitution/ endorsement shall be made and duly recorded in the name of the Demerged Company and the Resulting Company, respectively, by the relevant authorities pursuant to the sanction of this Scheme by NCLT.



5.1.10. With effect from the Appointed Date, all indirect taxes of any nature, duties and cess or any other like payment or deductions made by the Demerged Company in relation to the Demerged Undertaking of the Demerged Company to any statutory authorities, including (but not limited to), service tax, security transaction tax, value added tax, central sales tax, customs duty, excise duty, goods and services tax, or any other like payments made by the Demerged Company to any statutory authorities, or other collections made pertaining to the Demerged Undertaking of the Demerged Company and relating to the period up to the Effective Date, shall be deemed to have been on account of, or on behalf of, or paid by, or made by the Resulting Company, without any further act, instrument or deed of the Resulting Company. Further, upon and with effect from the Appointed Date, all deduction otherwise admissible to the Demerged Undertaking of the Demerged Company including without limitation payment admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source (including, but not limited to, under Section 43B, Section 40, Section 40A etc. of the Income-tax Act, 1961) shall be eligible for deduction to the Resulting Company, upon fulfilment of the applicable conditions under the Income-tax Act, 1961. Further, the Resulting Company shall be entitled to claim credit for service tax, VAT liability etc., notwithstanding the certificates/challans or other documents for payment of such taxes/duties, as the case may be, being in the name of the Demerged Company and pertaining to the Demerged Undertaking. Upon and with effect from the Appointed Date, all such taxes payable by or refundable to or being the entitlement of the Demerged Undertaking of the Demerged Company, including without limitation all or any refunds or claims shall be treated as the tax liability or refunds/credits/claims, as the case may be, of the Resulting Company, and any tax incentives, advantages, privileges, exemptions, credits, entitlements (including, but not limited to sales tax, closing balance of CENVAT, VAT, central sales tax, turnover tax, excise duty, GST, security transaction tax, and duty entitlement credit certificates), holidays, remissions, reductions, as would have been available to the Demerged Undertaking of the Demerged Company, shall upon the Scheme becoming effective on the Effective Date, be available to the Resulting Company.

5.1.11. Upon and with effect from the Appointed Date, all taxes payable by the Demerger Company pertaining to the Demerged Undertaking including without limitation all or any refunds of claims shall be treated as the tax liability or refunds/claims, as the case may be, of the Resulting Company, without any further act, instrument or deed of the Resulting Company, and the Resulting Company shall be entitled to file/revise its statutory returns and related tax payment certificates and to claim refunds and advance tax credits as may be required consequent to the implementation of the Scheme, and all tax compliances under Applicable Laws by the Demerged Company pertaining to the Demerged Undertaking shall be deemed to have been undertaken by the Resulting Company.

5.1.12. All Demerged Undertaking Licenses including approvals, consents, exemptions, unique identification numbers, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), environmental clearances, authorisations, no objection certificates, consent orders, approvals, etc., and certificates of every kind and description whatsoever in relation to the Demerged Undertaking, or to the benefit of which the Demerged Undertaking may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall by endorsement, delivery or by operation of law pursuant to the vesting order of NCLT sanctioning the Scheme, and its filing with the Registrar of Companies, be deemed to be approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, authorisations, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature of the Resulting Company, and shall be in full force and effect in favour of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligor thereto. Such of the other permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, authorisations, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, as are held at present by the Demerged Company, but relate to or benefitting the Resulting Company and/or the Demerged Undertaking, shall be deemed to constitute separate permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, and the necessary substitution/endorsement shall be made and duly recorded in the name of the Resulting Company, respectively, by the relevant authorities pursuant to the sanction of this Scheme by NCLT. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall take on record the drawn up order of NCLT sanctioning the Scheme on its file and make and duly record the necessary substitution or endorsement in the name of the Resulting Company as successor in interest, pursuant to the sanction of this Scheme by NCLT, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Resulting Company shall file certified copies of such sanction order, and if required file appropriate applications, forms or documents with relevant authorities concerned for statistical, information and record purposes only, and there shall be no break in the validity and enforceability of approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any

Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature.

5.1.13. All estates, assets, rights, title, interests and authorities accrued to and/or acquired by the Demerged Company in relation to the Demerged Undertaking shall be deemed to have been accrued to and/or acquired for and on behalf of the Resulting Company and shall, upon this Scheme coming into effect, pursuant to the provisions of Section 232 and other applicable provisions of the Act, without any further act, instrument or deed be and stand vested in or be deemed to have been vested in the Resulting Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Resulting Company.

5.1.14. For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of the bank accounts of the Demerged Company, in relation to or in connection with the Demerged Undertaking, have been replaced with that of the Resulting Company, the Resulting Company shall be entitled to operate the bank accounts of the Demerged Company, in relation to or in connection with the Demerged Undertaking, in the name of the Demerged Company in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented or issued for encashment which are in the name of the Demerged Company, in relation to or in connection with the Demerged Undertaking, after the Effective Date shall be accepted by the bankers of the Resulting Company and credited / debited to the account of the Resulting Company, if presented or issued by the Resulting Company. The Resulting Company shall be allowed to maintain bank accounts in the name of the Demerged Company for such time as may be determined to be necessary by the Resulting Company for presentation and deposition of cheques and pay orders that have been issued by or in the name of the Demerged Company, in relation to or in connection with the Demerged Undertaking. It is hereby expressly clarified that any legal proceedings by or against the Demerged Company, in relation to or in connection with the Demerged Undertaking, in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company shall be instituted, or as the case maybe, continued by or against the Resulting Company after coming into effect of the Scheme.



5.1.15. Any pending suits/appeals or other proceedings of whatsoever nature relating to the Demerged Undertaking of the Demerged Company, whether by or against such Demerged Company, shall not abate, be discontinued or in any way be prejudicially affected by reason of the demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company or of anything contained in this Scheme, but shall continue and any prosecution shall be enforced by or against the Resulting Company in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against the Demerged Company, as if this Scheme had not been implemented.

6. **Consideration**

6.1. Upon the Scheme becoming effective and upon vesting of the Demerged Undertaking of the Demerged Company in the Resulting Company, the Resulting Company shall, without any further application or deed, issue and allot to the shareholders of the Demerged Company whose name appears in the register of members of the Demerged Company as on Record Date (as may be decided by the Board of Directors of Resulting Company), their heirs, executors, administrators or the

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successors in title, as the case may be, as may be recognized by the Board of Directors, in the following manner:

*"25,846 fully paid up equity shares of face value of Rs. 10/- each of the Resulting Company ("**Equity Shares**") shall be issued and allotted as fully paid up for every 102 equity shares of face value of Rs. 100/- each fully paid held in the Demerged Company."*

The terms of Equity Shares allotted pursuant to this Scheme shall be subject to Memorandum of Association and Articles of Association and shall rank pari passu with the existing equity shares of the Resulting Company, in all respects including dividend, except that the said equity shares shall not be eligible for dividend for the period commencing from the Appointed Date till the date of allotment of shares.

6.2. For the purpose of the allotment of the Equity Shares of the Resulting Company pursuant to this Scheme, in case any eligible shareholder's holding in the Demerged Company is such that the eligible shareholder becomes entitled to a fraction of Equity Shares of the Resulting Company, the Board of Directors of the Resulting Company shall be empowered to consolidate and/or round off such fractional entitlements into whole number of equity shares to an integer.

6.3. In the event that the Demerged Company restructures its share capital by way of share split/consolidation/issue of bonus shares during the pendency of the Scheme, the Equity Share Entitlement Ratio, shall be adjusted accordingly to take into account the effect of any such corporate actions.

6.4. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of the Demerged Company, the Board of Directors of the Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Demerged Company, after the effectiveness of this Scheme.

6.5. The issue and allotment of Equity Shares as provided above is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Resulting Company or the Demerged Company or their respective shareholders and as if the procedure laid down under the Act and such other applicable laws as may be applicable were duly complied with. It is clarified that the approval of the members and creditors of the Resulting Company and/ or the Demerged Company to this Scheme, shall be deemed to be their consent/ approval for the issue and allotment of Equity Shares, pursuant to the aforesaid Clause 5.3.

6.6. The shareholders of the Demerged Company shall have an option to receive the Equity Shares in dematerialized form, provided the details of their account with the Depository Participant are intimated in writing to the Demerged Company and/or its Registrar before the Record Date. In case of non-receipt of relevant information/ details from the shareholders currently holding shares in physical form, the Resulting Company shall issue such Equity Shares, in trust in a separate escrow/ suspense account to be maintained by the Resulting Company for the benefit of such shareholders. Such Equity Shares shall be kept in abeyance and shall be dealt with in accordance with the Applicable Laws and as the Board of Directors of the Resulting Company deems fit, including to enable allotment of such Equity Shares to the shareholders of the Demerged Company in proportion to their respective entitlement upon a valid claim being made thereon by the respective shareholder.



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6.7. The approval of this Scheme by the shareholders of the Resulting Company shall be deemed to be the due compliance of the provisions of Section 42, 62 of the Companies Act, 2013 and other relevant and applicable provisions of the Act for the issue and allotment of Equity Shares, by the Resulting Company to the shareholders of the Demerged Company, as provided in this Scheme.

6.8. The approval of this Scheme by the shareholders of the Demerged Company and the Resulting Company shall be deemed to have the approval for the purpose of effecting the above amendments under Sections 13, Section 14 and other applicable provisions of the Act and no further resolutions would be required to be separately passed in this regard.

7. <u>Accounting Treatment</u>

7.1. **Accounting Treatment in the books of Resulting Company**

Upon the coming into effect of this Scheme and with effect from Appointed Date (i.e. 01 April 2022), the Resulting Company shall account for the demerger in its book of accounts in accordance with the applicable Indian Accounting Standards ("Ind AS") notified by National Advisory Committee on Accounting Standards, Ministry of Corporate Affairs vide Notification No G.S.R. 111(E) dated 16.02.2015, as amended from time to time, notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, and other generally accepted accounting principles in India.

7.2. **Accounting Treatment in the books of Demerged Company**



7.2.1. The Demerged Company shall reduce from the book value of its assets, the book value of the assets pertaining to the Demerged Undertaking transferred to Resulting Company pursuant to the Scheme.

7.2.2. The Demerged Company shall reduce from its books, the book value of the liabilities (including provisions) pertaining to the Demerged Undertaking transferred to the Resulting Company pursuant to the Scheme.

7.2.3. The excess of aggregate of book value of assets over the aggregate of book value of liabilities transferred by the Demerged Company to the Resulting Company pursuant to the Scheme shall be debited to the Profit and Loss Account of the Demerged Company.

7.2.4. The excess of aggregate of book value of liabilities over the aggregate of book value of assets transferred to the Resulting Company pursuant to the Scheme shall be credited to statement of profit and loss account of the Demerged Company.

8. <u>**Conduct Of Business until the Effective Date**</u>

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

8.1.1. The Demerged Company shall carry on and be deemed to have carried on the business and activities in relation to Demerged Undertaking and shall stand possessed of their properties and assets relating to Demerged Undertaking for and in trust for the Resulting Company and all the profits/losses accruing on account of the Demerged Undertaking shall for all purposes be treated as profits/losses of the Resulting Company. All the profits accruing on account of the Demerged Undertaking shall be utilised and/or applied for all purposes as determined by the Resulting Company.

8.1.2. The Demerged Company shall not utilize the profits or income, if any, relating to the Demerged Undertaking for the purpose of declaring or paying any dividend or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of the Board of Directors of the Resulting Company and accordingly, it shall utilise the profits or income, if any relating to the Demerged Undertaking for the period falling on and after the Appointed Date for any purpose per the requirements or written instructions of the Resulting Company.

8.1.3. The Demerged Company shall not, without the prior written consent of the Board of Directors of the Resulting Company or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of the undertaking relating to Demerged Undertaking or any part thereof except in the ordinary course of its business or as may be required and instructed by the Resulting Company.

8.1.4. The Demerged Company shall not, without the prior written consent of the Board of Directors of the Resulting Company, acquire any entity, in whole or part thereof, or open a new pathology lab/centre, except as may be required and instructed by the Resulting Company.

8.1.5. The Demerged Company shall not, without the prior written consent of the Board of Directors of the Resulting Company incur indebtedness in any form exceeding INR 5,00,00,000 (Rupees Five Crores only).



8.1.6. The Demerged Company shall not vary or agree to vary the existing terms and conditions of Demerged Undertaking Employees without prior consent of the Resulting Company or pursuant to any pre-existing obligation undertaken by the Demerged Company as the case may be, prior to Effective Date.

8.1.7. It is clarified that all the taxes and duties payable by the Demerged Company, in respect of the profits or activities or operation of the Demerged Undertaking after the Appointed Date, including advance taxes, tax deduction at source, tax liabilities, or any refunds or claims shall, for all purpose, be treated as advance tax payments, tax deduction at source, tax liabilities refunds or claims of the Resulting Company. Accordingly, upon the Scheme becoming effective, the Demerged Company and the Resulting Company are expressly permitted to revise and file their respective tax returns along with the prescribed forms, filings and annexures under the provisions of Income-tax Act, 1961 (including for the purpose of re-computing income-tax and claiming other tax benefits), customs duty law, central sales tax, applicable state value added tax, service tax laws, excise duty laws, goods and services tax, VAT law or other tax laws, and to claim refunds and/or credits for taxes paid (including tax deducted at source, goods and service tax etc.), and to claim tax benefits etc. and for matters incidental thereto, if required to give effect to the provisions of the Scheme.

8.2. The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government, and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which the Resulting Company may require pursuant to this Scheme. The Resulting Company shall be entitled to issue and raise any funds from existing shareholders or new investors for their business purposes.

## 9. Staff, Workmen & Employees

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9.1. All of the Demerged Undertaking Employees, who are in service on the date immediately preceding the Effective Date shall on and from the Effective Date become and be engaged as the employees of the Resulting Company without any break or interruption in service as a result of the transfer and on terms and conditions not less favourable than those on which they are engaged by the Demerged Company immediately preceding the Effective Date.

9.2. Services of the Demerged Undertaking Employees shall be taken into account from the date of their respective appointment with the Demerged Company for the purposes of all retirement benefits and all other entitlements for which they may be eligible. The Resulting Company further agrees that for the purpose of payment of any retrenchment compensation, if any, such past services with the Demerged Company shall also be taken into account. The services of such employees shall not be treated as having been broken or interrupted for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Demerged Company.

9.3. It is provided that as far as the Provident Fund, Gratuity Fund and Pension and/ or Superannuation Fund or any other special fund created or existing for the benefit of the staff, workmen and other employees of the Demerged Company pertaining to the Demerged Undertaking are concerned, upon the Scheme becoming effective, the Resulting Company shall stand substituted for the Demerged Company in respect of the employees transferred with the Demerged Undertaking for all purposes whatsoever relating to the administration or operation of such Funds or Trusts or in relation to the obligation to make contribution to the said Funds or Trusts in accordance with the provisions of such Funds or Trusts as provided in the respective Trust Deeds or other documents. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Demerged Undertaking of the Demerged Company in relation to such Funds or Trusts shall become those of the Resulting Company. The Trustees including the Board of Directors of the Demerged Company and the Resulting Company or through any committee/person duly authorized by the Board of Directors in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees of the Demerged Company.



9.4. With effect from the date of filing of this Scheme with NCLT and up to and including the Effective Date, the Demerged Company shall not vary or modify the terms and conditions of employment of the Demerged Undertaking Employees, except with written consent/ instructions of the Resulting Company.

9.5. The balance standing in the accounts of the of the Demerged Undertaking Employees whose employment is transferred to the Resulting Company in terms of this Scheme, in Provident Fund, Superannuation/ Pension Fund, ESI or other such funds and investments relatable thereto as on the Effective Date, shall be transferred to the necessary funds, schemes or trusts to be created by the Resulting Company or to funds, schemes or trusts under the relevant statute as required by the Resulting Company and till the time the necessary funds, schemes or trusts are created by the Resulting Company, all contributions shall continue to be made to the existing funds, schemes or trusts of the Demerged Company.

9.6. If any question arises as to whether an employee is engaged in or in relation to the business activities and operations of the Demerged Undertaking, the same shall be decided by mutual agreement between the Board of the Demerged Company and the Resulting Company.

10. <u>Legal Proceedings</u>

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10.1. All legal proceedings of whatsoever nature by or against the Demerged Company pending and/or arising before the Effective Date and relating to the Demerged Undertaking, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against the Resulting Company, as the case may be in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company, in the absence of the Scheme.

10.2. After the Effective Date, if any proceedings are taken against the Demerged Company in respect of the Demerged Undertaking, the same shall be defended at the cost of the Resulting Company, and the Resulting Company shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.

10.3. The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company referred to in Clauses 10.1 or 10.2 above transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company as the case may be, to the exclusion of the Demerged Company.

11. <u>Contracts, Deeds and Other Instruments</u>

11.1. Notwithstanding anything to the contrary contained in the contract, existing customer contract, deed, bond, agreement or any other instrument, but subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date and relating to the Demerged Undertaking of the Demerged Company, shall continue in full force and effect against or in favor of the Resulting Company and may be enforced effectively by or against the Resulting Company as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party thereto.



11.2. The Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favor of any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Resulting Company shall, be deemed to be authorised to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of the Demerged Company.

12. <u>Employee Stock Options</u>

12.1. Upon the Scheme coming into effect, all iGen ESOPs which have not been granted as of the Effective Date, shall lapse automatically without any further act, instrument or deed by the Demerged Company, the employee or the Resulting Company and without any approval or acknowledgement of any third party.

12.2. Upon the Scheme coming into effect, in respect of the iGen ESOPs granted by the Demerged Company under the iGen ESOP Scheme to employees engaged in the Demerged Undertaking who are proposed to be transferred as part of this Scheme to the Resulting Company, which have been granted (whether vested or not) but have not been exercised as on the Record Date ("**Eligible Employees**"), the Resulting Company shall grant 25,846 employee stock options of the Resulting Company ("**HealthMap ESOPs**") under a new employee stock option scheme created by the Resulting Company ("**HealthMap ESOP Scheme**") in lieu of every 102 iGen ESOP held by such

Eligible Employees under the iGen ESOP Scheme in accordance with the Equity Share Entitlement Ratio as mentioned under Clause 6.3 of this Scheme and the existing iGen ESOPs held by them under the iGen ESOP Scheme shall stand cancelled. The terms and conditions of the HealthMap ESOP Scheme shall not be less favourable than those provided under the iGen ESOP Scheme.

12.3. The exercise price payable for the iGen ESOPs by the Eligible Employees shall be such as may be determined by the Board or committee of the Resulting Company to deal with matters pertaining to employee stock option schemes.

12.4. Subject to Applicable Laws, the entitlement of the Eligible Employees to the iGen ESOPs and the adjustments to be made in the exercise price of iGen ESOPs shall be appropriately reflected in the accounts of the Resulting Company.

12.5. The aforesaid grant of HealthMap ESOPs to the Eligible Employees shall be effected as an integral part of this Scheme and the consent of the shareholders of the Demerged Company and Resulting Company to this Scheme shall be deemed to be their consent in relation to all matters pertaining to the iGen ESOP Scheme and the HealthMap ESOP Scheme and all related matters. No further approval of the shareholders of the Demerged Company or Resulting Company or resolution, action or compliance would be required in this connection under any applicable provisions of the Act and/ or other Applicable Laws.

12.6. In relation to the HealthMap ESOPs granted by the Resulting Company to the Eligible Employees under the HealthMap Scheme, the period during which the iGen ESOPs granted by the Demerged Company under the iGen ESOP Scheme were held by or deemed to have been held by the Eligible Employees shall be taken into account for determining the minimum vesting period required under the Applicable Laws, the iGen ESOP Scheme and the HealthMap ESOP Scheme.

12.7. The Board of Directors of the Demerged Company and Resulting Company shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause of the Scheme.

**13. <u>Saving of Concluded Transactions</u>**

The transfer of properties and liabilities under Clause 4.1 above and the continuance of proceedings by or against the Resulting Company under Clause 10 above shall not affect any transaction or proceedings already concluded by the Demerged Company on or after the Appointed Date till the Effective 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 in respect thereto as done and executed on behalf of itself.

**14. <u>Profits and Dividends</u>**

14.1. The Demerged Company and the Resulting Company shall be entitled to declare and pay dividends, to their respective shareholders in respect of the period up to the Appointed Date, consistent with the past practice or in ordinary course of business, whether interim or final.

14.2. The Demerged Company shall also be entitled to declare and pay dividend to its shareholders, whether interim or final, out of the profits arising from the operations of the Remaining Business for any period commencing on or after the Appointed Date, consistent with the past practice or in ordinary course of business, without prior consent of the Resulting Company.

14.3. Any other dividend shall be recommended/declared only by the mutual consent of the Demerged Company and the Resulting Company.

14.4. It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Demerged Company or the Resulting Company to demand or claim or be entitled to any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the respective Boards of the Demerged Company and the Resulting Company as the case may be, and subject to approval, if required, of the shareholders of the Demerged Company and the Resulting Company as the case may be.

14.5. In addition to the above, Demerged Company shall also be entitled, without any consent of the Resulting Company, to buy back its equity shares out of the profits and / or cash flows from the Remaining Business.

## 15. Remaining Business of The Demerged Company:

15.1. The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be managed by the Demerged Company.

15.2. All legal and other proceedings including any insurance claims by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted in future, whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business of the Demerged Company (including those relating to any property, right, power, liability, obligation or duty, of the Demerged Company in respect of the Remaining Business of the Demerged Company) shall be continued and enforced by or against the Demerged Company.



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## PART C

## GENERAL TERMS AND CONDITIONS

### 16. APPLICATION TO NCLT

The Demerged Company and the Resulting Company shall make Applications/Petitions under Sections 230 to 232 and other applicable provisions of the Act to NCLT for sanction of this Scheme.

### 17. MODIFICATION OR AMENDMENTS TO THE SCHEME

The Demerged Company and the Resulting Company, with approval of their respective Board of Directors may consent, from time to time, on behalf of all persons concerned, to any modifications/ amendments or additions/ deletions to the Scheme which may otherwise be considered necessary, desirable or appropriate by the said Board of Directors to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters, and things necessary for bringing this Scheme into effect or agree to any terms and/or conditions or limitations that NCLT or any other authorities under law may deem fit to approve of, to direct and/or impose. The aforesaid powers of the Demerged Company and the Resulting Company to give effect to the modification/amendments to the Scheme may be exercised by their respective Board of Directors or any person authorised in that behalf by the concerned Board of Directors subject to approval of NCLT or any other authorities under the applicable law.



### 18. Conditions Precedent

18.1. This Scheme is and shall be conditional upon and subject to:

18.1.1. Approval of the Scheme by the requisite majority in number and value of such class of persons including the respective members and/or creditors, through e-voting and or any other mode as may be required under any Applicable Law, of the Demerged Company and the Resulting Company as required under the Act and as may be directed by NCLT;

18.1.2. Approval by NCLT;

18.1.3. Filing of the certified copy of the order of the National Company Law Tribunal sanctioning the Scheme with the Registrar of Companies by the Demerged Company and the Resulting Company; and

18.1.4. Compliance with such other conditions as may be imposed by NCLT.

18.2. It is hereby clarified that submission of the Scheme to NCLT and to Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, titles or defences that the Demerged Company and the Resulting Company may have under or pursuant to all appropriate and Applicable Law.

18.3. On the approval of this Scheme by the shareholders of the Demerged Company and the Resulting Company, such shareholders shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the Scheme, related matters and this Scheme itself.

## 19. Effect of Non-Receipt of Approvals and Matters Relating to Revocation / Withdrawal of the Scheme

19.1. 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 NCLT or such other competent authority and/or the Order not being passed as aforesaid before 18 (eighteen) months or within such further period or periods as may be agreed upon between the Demerged Company and the Resulting Company by their Boards of Directors (and which the Boards of Directors of the Companies are 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.

19.2. In the event of revocation/withdrawal under Clauses 19.1 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Demerged Company and the Resulting Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the Applicable Law and in such case, the Demerged Company and the Resulting Company shall bear its own costs, unless otherwise mutually agreed.



## 20. Costs, Charges & Expenses

All costs, charges, taxes including duties, levies and all other expenses (including stamp duty and registration charges, if any on the NCLT order and transfer of immovable properties, if any, pursuant to NCLT order) of the Demerged Company and the Resulting Company arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne by the Resulting Company.

iGenetic Diagnostics Pvt. Ltd. Mumbai

HealthMap Diagnostics Private Limited