

SCHEME OF AMALGAMATION

BETWEEN

**MAVEN SYSTEMS PRIVATE LIMITED
(Transferor Company)**

AND

**MOSCHIP TECHNOLOGIES LIMITED
(Transferee Company)**

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

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

A. An overview of Scheme of Arrangement

This Scheme of amalgamation of Maven Systems Private Limited (hereinafter referred to as "Maven" or "Transferor Company" with "MosChip Technologies Limited" (hereinafter refer to as "MosChip" or "Transferee Company") and their respective shareholders and creditors(hereinafter refer to as "the Scheme" or "this Scheme") is presented *inter-alia* under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act").

The Transferor Company is a wholly owned subsidiary Company of the Transferee Company. It is proposed that the Transferor Company be amalgamated with the Transferee Company, followed by the dissolution without winding up of the Transferor Company and the consequent cancellation of equity shares held by the Transferee Company and its Nominees in the Transferor Company pursuant to provisions of Sections 230 to 232 of the Companies Act, 2013.

In addition, this Scheme of Arrangement also provides for various matter consequential or otherwise integrally connected herewith.



B. Background and Description of Companies

- 1) **Maven Systems Private Limited (“Maven” or “Transferor Company”)** is a wholly owned subsidiary of the Transferee Company, it was incorporated as a private limited Company on 21st October 2009 under the Companies Act, 1956 and having its registered office at Plot No C -5, A (P), Laxmi Chambers, Survey No. 1, beside lane GVK Bio, Industrial Park , Uppal, Hyderabad - 500039. The CIN of the Company is U72900TG2009PTC146864.

The main objects of the Transferor Company are set out in Clause III of Memorandum of Association.

- 2) **MosChip Technologies Limited (formerly known as MosChip Semiconductor Technology Limited) (“MosChip” or “Transferee Company”)** is a Listed Public Limited Company incorporated on July 27, 1999 under the Companies Act, 1956 and having its registered office at Plot No. 83 & 84, 2nd Floor, Punnaiah Plaza, Road 2, Banjara Hills, Hyderabad, Telangana, 500034. The CIN of the Company is L31909TG1999PLC032184. The equity shares of the Transferee Company are listed on BSE Limited (Scrip ID: MOSCHIP, Security Code: 532407).

The main objects of the Transferee Company are set out in Clause III of Memorandum of Association.

C. OBJECTS AND RATIONALE FOR THE SCHEME

- 1) The Transferor Company is a wholly owned subsidiary Company of the Transferee Company and engaged in the similar nature of business. In order to consolidate the similar nature of business at one place and effectively manage the Transferor Company and Transferee Company as a single entity, which will provide several benefits including streamlined group structure by reducing the number of legal entities, reducing the multiplicity of legal and regulatory compliances, rationalizing costs, it is intended that the Transferor Company be amalgamated with the Transferee Company.
- 2) The independent operations of the Transferor Company and the Transferee Company leads to incurrence of significant costs and the amalgamation would enable economies of scale by attaining critical mass and achieving cost saving. The amalgamation will thus eliminate a multi-layered structure and reduce managerial overlaps, which are necessarily involved in running multiple entities and also prevent cost duplication that can erode financial efficiencies of holding structure and the resultant operations would be substantially cost-efficient. This Scheme would result in simplified corporate structure of the Transferee Company and its businesses, there by leading to more



efficient utilization of capital and creation of a consolidated base for the future growth of the Transferee Company.

- 3) The amalgamation will contribute in furthering and fulfilling the objectives and business strategies of both the companies thereby accelerating growth, expansion and development of the respective businesses through the Transferee Company. The amalgamation will thus enable further expansion of the Transferee Company and provide a strong and focused base to undertake the business more advantageously. Further, this arrangement would bring concentrated management focus, integration, streamlining of the management structure, seamless implementation of policy changes and shall also help enhance the efficiency and control of the Transferor Company and the Transferee Company.
- 4) The synergies created by the scheme of arrangement would increase operational efficiency and integrate business functions.
- 5) This Scheme provides for the amalgamation of the Transferor Company with the Transferee Company and the consequent treatment of assets and liabilities of respective Companies in the manner provided for in the Scheme.
- 6) The other benefits of the proposed amalgamation include:
 - (a) Optimum and efficient utilization and rationalization of capital, resources, assets and facilities;
 - (b) Enhancement of competitive strengths including financial resources;
 - (c) Obtaining synergy benefits;
 - (d) Better management and focus on growing the businesses.
- 7) In view of the above, it is considered desirable and expedient to amalgamate the Transferor Company with the Transferee Company in accordance with this Scheme, pursuant to Sections 230 to 232 of the Companies Act, 2013 read with applicable Rules.

D) PARTS OF THE SCHEME:

This scheme of Amalgamation is divided into following parts

- (i) **Part I**, which contains the definitions;
- (ii) **Part II**, which deals with the Share Capital of the Transferee Company and the Transferor Company;
- (iii) **Part III**, which deals with Amalgamation, Transfer and vesting of undertakings of the Transferor Company with the Transferee Company;




(iv) **Part IV**, which deals with Accounting Treatment adopted for the Scheme;

(V) **Part V**, this part of scheme contains other provisions and conditions applicable to the scheme.

E) The amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and shall be in accordance with the relevant provisions of the Income Tax Act, 1961 including but not limited to Section 2(IB) and Section 47 thereof.

PART I

General Provisions

1. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the meanings:

- 1.1 "Act" or "the Act" means the Companies Act, 2013, including any statutory modification or re-enactment thereof for the time being in force.
- 1.2 "Appointed Date" means the date from which this Scheme shall become operative viz., 1st April, 2021 (**First day of April, Two Thousand and Twenty One**) or such other date(s) as may be approved by the NCLT or any other competent authority having jurisdiction to sanction the Scheme.
- 1.3 "Board" or "Board of Directors" means the Board of Directors of the Transferor Company or the Transferee Company, as the case may be, and shall include a Committee of Directors, if any constituted or appointed and authorized to take any decision for the implementation of this scheme on behalf of such Board of Directors.
- 1.4 "BSE" shall mean BSE Limited.
- 1.5 "Bench" means the Hon'ble National Company Law Tribunal (NCLT) Bench of Hyderabad or such other authority empowered to sanction the Scheme as per the provisions of the Act.
- 1.6 "Effective Date" means the last of the dates on which the certified or authenticated copies of the order of the National Company Law Tribunal sanctioning the Scheme are filed with the Registrar of Companies by the Transferor Company and by the Transferee Company. Any references in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" or "Scheme taking effect" shall mean the Effective Date;




Any reference in this Scheme to the words “upon the scheme becoming effective” or “effectiveness of this Scheme” or “date of coming into effect of the Scheme” or “Scheme coming into effect” shall mean the Effective Date.

- 1.7 **"Equity Share(s)"** means the equity shares of the Transferor Company or the Transferee Company, as the case may be.
- 1.8 **"IT Act"** means the Income Tax Act, 1961 and any other statutory modifications, amendments, restatements or re-enactments thereof, from time to time and to the extent in force.
- 1.9 **"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 or instrumentality thereof or arbitration or arbitral body having jurisdiction over the territory of India including but not limited to Securities and Exchange of India, Stock Exchanges, Registrar of Companies, Official Liquidator and National Company Law Tribunal;
- 1.10 **"Law" or "Applicable Law"** includes all applicable statutes, enactments, acts of legislature or Parliament, Laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Government, statutory Authority, Tribunal, Board, Court of India or any other Country or jurisdiction as applicable.
- 1.11 **"Listing Regulations"** means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- 1.12 **"NCLT"** means the Hon'ble National Company Law Tribunal. (NCLT) Bench at Hyderabad;
- 1.13 **"Registrar of Companies" or "ROC"** means the Registrar of Companies at Hyderabad
- 1.14 **"Rules"** means the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
- 1.15 **"Scheme" or "The Scheme" or "This Scheme" or "Scheme of Arrangement" or "Scheme of Amalgamation"** "Scheme" means this Scheme of Arrangement being Amalgamation of the Transferor Company with the Transferee Company, with the approval of their respective shareholders and creditors as submitted to BSE, to SEBI and to the NCLT together with any modification(s) approved or directed by the NCLT Hyderabad Bench;
- 1.16 **"SEBI"** means the Securities and Exchange Board of India.



- 1.17 **"Shareholders"** means the persons registered (whether registered owner of the shares or beneficial owner of the shares) as holders of equity shares of concerned company as the context may require and shall include any third party transferees of such persons registered. The word "Shareholder" and "Member" are used to denote the same meaning and are used interchangeably.
- 1.18 **"Stock Exchange"** means BSE. where the equity shares of the Transferee Company are listed and traded.
- 1.19 **"Transferor Company"** means **"Maven Systems Private Limited ("Maven" or "Transferor Company")** is a wholly owned subsidiary of the Transferee Company, it was incorporated as a private limited Company on 21st October 2009 under the Companies Act, 1956 and having its registered office at Plot No C -5, A (P), Laxmi Chambers, Survey No. 1, beside lane GVK Bio, Industrial Park , Uppal, Hyderabad - 500039. The CIN of the Company is U72900TG2009PTC146864.
- 1.20 **"Transferee Company"** means "MosChip Technologies Limited" or "MosChip", a Company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Plot No. 83 & 84, 2nd Floor, Punnaiah Plaza, Road 2, Banjara Hills, Hyderabad, Telangana, 500034 (CIN Number: L31909TG1999PLC032184).
- 1.21 **"Tribunal"** means the Hon'ble National Company Law Tribunal. (NCLT) Bench at Hyderabad or such other authority empowered to sanction the Scheme as per the provisions of the Act.
- 1.22 **"Undertaking"** shall mean and include each of the whole of the undertaking(s) and entire businesses of the Transferor Company as a going concern, including (without limitation):

(I) All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent) of the Transferor Company, including but not limited to, plant and machinery, equipment, buildings and structures, offices, residential and other premises, sundry debtors, furniture, fixtures, office equipment, appliances, accessories, depots, deposits, all stocks, assets, investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units), and interests in its subsidiaries, cash balances or deposits with banks, loans, advances, disbursements, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by the Transferor Company, financial assets, leases (including lease rights), hire purchase contracts and assets, lending contracts, Service Level Agreements, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, municipal permissions, tenancies in relation to the office, licenses, fixed and other assets, trade and service names and marks, patents, copyrights, and other intellectual property rights of any nature whatsoever,




know how, good will, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights including, title, interests, other benefits (including tax benefits), easements, privileges, liberties, mortgages, hypothecations, pledges or other security interests created in favour of the Transferor Company and advantages of whatsoever nature and wheresoever situated in India or abroad, belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad; whole of the undertaking of the Transferor Company, as a going concern, including their businesses, all secured and unsecured debts, liabilities, duties and obligations and all the assets, properties, rights, titles and benefits, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to land and building (whether owned, leased, licensed), all fixed and movable plant and machinery, vehicles, fixed assets, work in progress, current assets, investments, reserves, provisions, funds, licenses, registrations, copyrights, patents, trade names, trademarks and other rights and licenses in respect thereof, applications for copyrights, patents, trade names, trademarks, leases, licenses, tenancy rights, premises, ownership, flats, hire purchase and lease arrangements, lending arrangements, benefits of security arrangements, computers, office equipment, telephones, telexes, facsimile connections, internet connections, communication facilities, equipment and installations and utilities, electricity, water and other service connections, benefits of agreements, contracts and arrangements, powers, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits, reserves, provisions, advances, receivables, deposits, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, tax credits (including but not limited to credits in respect of income tax, GST, sales tax, value added tax, turnover tax, service tax, etc.), Software License, Domain / Websites etc., in connection / relating to the Transferor Company and other claims and powers, of whatsoever nature and where so ever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company, as on the Appointed Date.

(II) All liabilities including, without being limited to, secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations of the Transferor Company, of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized;




(III) All agreements, rights, contracts, entitlements, permits, permissions, sanctions, grants, no objection certificates, licenses, approvals, authorizations, concessions, consents, quota rights, engagements, arrangements, authorities, allotments, Security arrangements (to the extent provided herein), benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Business activities and operations of the Transferor Company;

(IV) All records, files, papers, computer programs, manuals, data, catalogues, sales material, lists of customers and suppliers, other customer information and all other records and documents relating to the business activities and operations of the Transferor Company;

(V) All permanent employees engaged by the Transferor Company as on the Effective Date;

(VI) All rights, entitlements, export/import incentives and benefits including advance licenses, bids, tenders (at any stage as it may be), letters of intent, expressions of interest, development rights (whatever vested or potential and whether under agreements or otherwise), subsidies, tenancies in relation to office, benefit of any deposits privileges, all other rights, receivables, powers and facilities of every kind, nature and description whatsoever and provisions and benefits of all agreements, contracts and arrangements, including technological licensing agreements, STPI arrangements, statutory licenses, franchises and all other interests in connection with or relating thereto;

(VII) all intellectual property rights created, developed or invented by employees concentrated on the research, development or marketing of products (including process development or enhancement) in connection with the Transferor Company;

(VIII) all benefits and privileges under letters of permission and letters, of approvals, all tax credits, including MAT credit, CENVAT and other Input credits, refunds; reimbursements, claims, exemptions, benefits under GST, service tax laws, value added tax, purchase tax, sales tax or any other duty or tax or cess or imposts under central or state law including sales tax deferrals, advance taxes, tax deducted at source, right to carry forward and set-off unabsorbed losses, if any and depreciation, deductions and benefits under the Income-tax Act, 1961;

1.23 In this Scheme, unless the context otherwise requires:

(a) references to persons shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships;

(b) the headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;




(c) words in the singular shall include the plural and vice versa; and

(d) 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, including any statutory modification or re-enactment thereof from time to time.

PART – II

2. (a) SHARE CAPITAL OF THE TRANSFEROR COMPANY AND THE TRANSFEREE COMPANY

The Capital Structure of the Transferor Company and the Transferee Company as on 31st December, 2020 and immediately before implementation of the scheme are as under:

2.1) The share capital of the Transferor Company as on 31st December 2020 was as under:

Authorised Capital	Amount in Rs.
10,000 Equity shares of Rs.10/- each	1,00,000
Total	1,00,000
Issued, Subscribed and Paid-Up Capital	
10,000 Equity shares of Rs. 10/- each fully paid up	1,00,000
Total	1,00,000

Subsequent to the above, there are no further changes in the share capital of the Transferor Company as on the date of approval of the Scheme by the Board of Directors of the Transferor Company.

2.2) the share capital of the Transferee Company as on 31st December 2020 was as under:

Authorised Capital	Amount in Rs.
28,27,05,000 Equity shares of Rs.02/- each	56,54,10,000
Total	56,54,10,000
Issued Capital	
15,79,91,402 Equity shares of Rs.02/- each	31,59,82,804
Subscribed and Paid-Up Capital	
15,79,91,402 Equity shares of Rs.02 /- each fully paid up	31,59,82,804
Total	31,59,82,804

Subsequent to the above, there are no further changes in the share capital of the Transferee Company as on the date of approval of the Scheme by the Board of Directors of the Transferee Company.

2.3) Since the Transferor Company is a wholly owned subsidiary of the Transferee Company, the entire issued share capital of the Transferor Company is held directly by the




Transferee Company and/or its nominees shall stand cancelled on the scheme being effective, that is, on the Effective Date, however, with effect from the Appointed Date.

2 (b) DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s), if any made as per Clause 18 of Part-V of this Scheme shall be effective from the Appointed date but shall come into force from the Effective date.

PART III

AMALGAMATION, TRANSFER AND VESTING OF UNDERTAKINGS OF THE TRANSFEROR COMPANY WITH THE TRANSFEEE COMPANY

3) TRANSFER AND VESTING OF UNDERTAKINGS

3.1 Subject to the provisions of this Scheme as specified hereinafter and with effect from the Appointed Date, the entire business and undertakings of the Transferor Company including all the debts, liabilities, duties and obligations, including those arising on account of taxation laws and other allied laws, of the Transferor Company of every description and also including, without limitation, all the movable and immovable properties and assets (whether tangible or intangible) of the Transferor Company comprising, amongst others, all furniture and fixtures, computers / data processing, office equipment, testing equipment, electrical installations, telephones, telex, facsimile and other communication facilities and business licenses, permits, authorizations, approvals, lease, tenancy rights, permissions, incentives, if any, and all other rights, patents, know-how, trademark, service mark, trade secret or other intellectual property rights, proprietary right, title, interest, contracts, consent, approvals and rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall, under the provisions of Section 230, as may be applicable, of the Act, and pursuant to the orders of the Hon'ble NCLT or any other appropriate authority sanctioning this Scheme and without further act, instrument or deed, be transferred and/or deemed to be transferred to and vested in the Transferee Company so as to become the properties, assets, rights, business and undertaking(s) of the Transferee Company.

3.2 With effect from the Appointed Date all debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date whether provided for or not in the books of account of the Transferor Company and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or up to day of the Appointed Date shall be the debts, liabilities, duties and obligations of the Transferee Company including any encumbrance on the assets of the Transferor Company or on any income earned from those assets.




- 3.3** With effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes.
- 3.4** Loans, advances and other obligations (including any arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future immediately before the Effective Date become due or remain outstanding between the Transferor Company and the Transferee Company shall, under the provisions of Sections 230 and 232 of the Act, without any further act, instrument, deed, cost or charge, stand cancelled and be deemed to have been discharged by such cancellation and consequently, there shall remain no inter-se liability between them as of Effective Date and the corresponding appropriate effect shall be given in the books of accounts and records of the Transferee Company.
- 3.5** All the existing securities, mortgages, charges, encumbrances or liens, if any, as on the Appointed Date and created by the Transferor Company after the Appointed Date, over the assets comprised in the undertaking or any part thereof transferred to the Transferee Company by virtue of this Scheme and in so far as such securities, mortgages, charges, encumbrances or liens secure or relate to liabilities of the Transferor Company, the same shall, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Appointed Date and as are transferred to the Transferee Company, and such securities, mortgages, charges, encumbrances or liens shall not relate or attach to any of the other assets of the Transferee Company, provided however that no encumbrances shall have been created by any of the Transferor Company over its assets after the date of filing of the Scheme without the prior written consent of the Board of Directors of the Transferee Company.
- 3.6** All the existing encumbrances over the assets and properties of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Appointed Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of this Scheme.
- 3.7** It is expressly provided that, save as herein provided, no other term or condition of the liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.
- 3.8** With effect from the Appointed Date, all statutory licences, permissions, approvals or consents to carry on the operations of the Transferor Company shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of the




Transferee Company upon the vesting and transfer of the undertaking of the Transferor Company pursuant to this Scheme. The benefit of all statutory and regulatory permissions, factory licences, environmental approvals and consents, sales tax registrations or other licences and consents shall vest in and become available to the Transferee Company pursuant to this Scheme.

3.9 The amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and shall be in accordance with Section 2(1B) of the Income- tax Act, 1961.

4) CONSIDERATION

4.1. The entire Equity Share capital of the Transferor Company is held directly by the Transferee Company and its nominees. In other words, the Transferor Company is a wholly owned direct subsidiary of the Transferee Company. Accordingly, pursuant to this amalgamation, no shares of the Transferee Company shall be allotted in respect of its holding in the Transferor Company. Upon the Scheme becoming effective, the entire share capital of the Transferor Company shall be cancelled and extinguished as per the provisions of Section 232 (3) (b) of the Act.

4.2. The investments in the shares of the Transferor Company, appearing in the books of account of Transferee Company shall, without any further act or deed, stand cancelled. Further details of the accounting treatment is provided for in Para 10 of the Scheme.

5) LEGAL PROCEEDINGS

5.1. Any suit, appeal or other proceedings of whatever nature by or against the Transferor Company is pending as on the Appointed Date, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company, as the case may be, in the manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made.

5.2. In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against the Transferor Company after the Appointed Date, the Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of the Transferee Company.

6) CONTRACTS, DEEDS AND OTHER INSTRUMENTS

6.1. Subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance, Letters of Intent, memorandum of understanding, undertakings, term sheets,




arrangements, policies, agreements and other instruments, if any, of whatsoever nature pertaining to the Transferor Company and to which the Transferor Company are a party and subsisting or having effect on the Appointed Date, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto.

6.2. The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novation's, to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. The Transferee Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

6.3. With effect from the Appointed Date and upon the Scheme becoming effective, without prejudice to the generality of the forgoing, all rights and licenses including those relating to intellectual property rights, such as trademarks, service marks, designs, patents, copyrights and domain names (whether registered or not), know-how, technical know-how, trade names, descriptions trading styles, franchises, labels, label designs, logos, emblems, and items of such nature, colour schemes, utility models, holograms, bar codes, designs, patents, copyrights, privileges and any rights, title or interest in intellectual property rights forming part of/ relating to the Transferor Company or to which the Transferor Company are a party or to the benefit of which the Transferor Company may be entitled/eligible, shall be in full force and effect on, or against, or in favour of, the Transferee Company as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obliged thereto.

6.4. Without prejudice to the generality of the foregoing, the Transferee Company shall be entitled to the benefit of all insurance policies which have been issued in respect of the Transferor Company and the name of the Transferee Company shall be substituted as "insured" in the policies as if the Transferee Company was initially a party thereto.

7) STAFF AND EMPLOYEES OF THE TRANSFEROR COMPANY

7.1. On the Scheme taking effect as aforesaid, the employees, if any, of the Transferor Company on the Appointed Date shall be deemed to have become the employees of the Transferee Company and their employment with the Transferee Company shall be on the following terms and conditions:

- i. The terms and conditions of service applicable to the employees shall not be less favourable than those applicable to them as on the Appointed Date;




- ii. The services of such employees shall not be treated as having been broken or interrupted for the purpose of provident fund or gratuity or otherwise and for all purposes will be reckoned from the date of their appointment with the Transferor Company; and
- iii. The Transferee Company undertakes to continue to abide by the agreement/settlement, if any, entered into by the Transferor Company with any of its employees, which is in force as on the Appointed Date,
- iv. It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, superannuation fund or any other special fund or trusts, if any, created or existing for the benefit of the staff, workmen and employees of the Transferor Company shall become trusts / funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such fund or funds shall become those of the Transferee Company. The Trustees including Board of Directors of the Transferee Company shall be entitled to adopt such course in this regard as may be advised provided however that there shall be no discontinuation or breakage in the service of the employees of the Transferor Company.

8) PAYMENT OF TAX

All taxes paid or payable by the Transferor Company in respect of the operations and/or the profits before the Appointed Date under Applicable Law, shall be on account of the Transferee Company and, in so far it relates to the tax payment (whether by way of deduction at source, advance tax or otherwise howsoever) by the Transferor Company in respect of the profits made from and after the Appointed Date, the same shall be deemed to be the tax paid by the Transferee Company, and shall, in all proceedings, be dealt with accordingly.

9) BANK OPERATION

Upon the Scheme being sanctioned and taking effect, all cheques, drafts, pay orders, direct and indirect tax balances and/or payment advices of any kind or description issued in favour of the Transferor Company, either before or after the Appointed Date, or in future, may be deposited with the Bank of the Transferee Company and credit of all receipts thereunder will be given in the accounts of the Transferee Company.




PART IV

ACCOUNTING TREATMENT

10) ACCOUNTING TREATMENT

With effect from the Appointed date and upon coming into effect of this Scheme, the Transferee Company shall account for the merger in its financial statements in accordance with "pooling of interest Method" laid down under Appendix C of Ind AS 103 (Business Combinations of entities under common control) notified under Section 133 of the Act read with relevant rules issued thereunder and applicable accounting standards prescribed under the Act:

- 10.1. The Transferee Company shall, record all the assets and liabilities, including Reserves of the Transferor Company vested in it pursuant to this Scheme, at their respective book values as appearing in the books of the Transferor Company on the Appointed Date.
- 10.2. If at the time of amalgamation, the Transferor Company and the Transferee Company have conflicting accounting policies, a uniform accounting policy shall be adopted by the Transferee Company following the amalgamation. The effect on the financial statements of any change in accounting policies shall be reported in accordance with applicable Accounting Standard-5, prior period and extraordinary items and changes in accounting policies.
- 10.3. investment, if any, in the equity share capital of the Transferor Company or vice versa as appearing in the books of accounts of the Transferee Company, if not transferred before the effective Date, shall stand cancelled and there shall be no further obligation/ outstanding in that behalf.
- 10.4 The loans and advances or payables or receivables of any kind, held inter-se, if any between the Transferor Company and the Transferee Company, as appearing in its respective books of accounts shall, under the provisions of Sections 230 and 232 of the Act, without any further act, instrument, deed, cost or charge, stand cancelled and be deemed to have been discharged by such cancellation and consequently, there shall remain no inter-se liability between them as of Effective Date and the corresponding appropriate effect shall be given in the books of accounts and records of the Transferee Company.

11) AUTHORIZED SHARE CAPITAL

- 11.1. Upon the Scheme becoming effective, the authorized share capital of the Transferor Company shall stand combined with the authorized share capital of the Transferee Company. Filing fees and stamp duty, if any, paid by the Transferor Company on its authorized share capital, shall be deemed to have been so paid by the Transferee




Company on the combined authorized Share capital and accordingly, the Transferee Company shall not be required to pay any fee/ stamp duty for its increased authorized share capital.

- 11.2. 'Clause V' of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to the applicable provisions of the Act accordingly by deleting the existing Clause and replacing it by the following:

"The Authorized Share Capital of the Company is Rs.56,55,10,000 (Rupees Fifty Six Crore Fifty Five Lakh Ten Thousand only) divided into 28,27,55,000 (Twenty Eight Crore Twenty Seven Lakh Fifty Five Thousand only) Equity Shares of Rs.2/- (Two only) each with power of the company to consolidate & Convert, subdivide, reduce or increase the capital into issue any new shares with preferential rights and conditions attached thereto, subject to the Companies Act, 2013."

12) TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE

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

- 12.1. The Transferor Company shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have been held and stood possessed of and shall hold and stand possessed of all of the Assets of the Transferor Company for and on account of, and in trust for, the Transferee Company. The Transferor Company hereby undertake to hold the said Assets with utmost prudence until the Effective Date.
- 12.2. All the profits or income, taxes (including advance tax and tax deducted at source) or any costs, charges, expenditure accruing to the Transferor Company or expenditure or losses arising or incurred or suffered by the Transferor Company shall for all purpose be treated and be deemed to be and accrue as the profits, taxes, incomes, costs, charges, expenditure or losses of the Transferee Company, as the case may be.
- 12.3. On and after the Appointed Date and until the Effective Date, the Transferor Company shall not without the prior written approval of the Board of Directors of the Transferee Company undertake (i) any material decision in relation to their businesses and affairs and operations (ii) any agreement or transaction (other than an agreement or transaction in the ordinary course of business) (iii) any new business or discontinue any existing business or change the installed capacity of facilities.
- 12.4. With effect from the date of the Board meeting of the Transferee Company approving the Scheme and upto and including the Effective Date, the Transferor Company shall carry on its business and activities with reasonable diligence, prudence and in the same manner as carried on before and shall not (without the prior written consent of the



Transferee Company) undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments or sell, transfer, alienate, charge, mortgage, encumber or otherwise deal with or dispose of the Undertaking of the Transferor Company or any part thereof except in the ordinary course of business, or pursuant to any pre-existing obligation(s) undertaken by the Transferor Company.

12.5. Without prejudice to the above provisions, with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes.

13) SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities under Clause 3 above and the continuance of proceedings by or against the Transferor Company under Clause 5 above shall not affect any transaction or proceedings already concluded by the Transferor Company 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 Company in respect thereto as done and executed on behalf of itself.

14) DISSOLUTION OF THE TRANSFEROR COMPANY WITHOUT WINDING UP

On the Scheme coming into effect, the Transferor Company shall, without any further act or deed, stand dissolved without winding up in accordance with the provisions of the Act and the Rules made thereunder.

PART V

OTHER PROVISIONS

15) FILING OF APPLICATIONS

The Transferor Company and the Transferee Company shall use their best efforts to make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act, before the NCLT, Hyderabad Bench, for sanction of this Scheme under the provisions of law and shall apply for such approvals as may be required under law.

16) VALIDITY OF EXISTING RESOLUTIONS, ETC.

Upon the coming into effect of this Scheme, the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of 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 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.

17) COMPLIANCE WITH SEBI REGULATIONS

- 17.1. As the present Scheme solely provides for Amalgamation of wholly owned subsidiary with its holding company, no formal approval, no objection certificate or vetting is required from the Stock Exchange or SEBI for the Scheme, terms of provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendments) Regulations, 2015 SEBI Circular No.CFD/DIL3/CIR/2017/21 Dated 10th March, 2017, SEBI Circular No CFD/DIL3/CIR/2018/2 Dated 03rd January 2018, and other applicable provisions if any.
- 17.2. In terms of the SEBI Regulations, the present Scheme of Amalgamation by absorption is only required to be filed with Stock Exchange for the purpose of disclosure and dissemination on their website.

18) MODIFICATIONS / AMENDMENTS TO THE SCHEME

- 18.1. Subject to approval of NCLT, the Transferor Company and the Transferee Company by their respective Board of Directors or any director/executives or any committee authorised in that behalf (hereinafter referred to as the "Delegate") may assent to, or make, from time to time, any modification(s) or addition(s) to this Scheme which NCLT or any authorities under law may deem fit to approve of or may impose and which the Board of Directors of the Transferee Company may in their discretion accept, or such modification(s) or addition(s) as the Board of Directors of the Transferee Company or as the case may be, their respective Delegate may deem fit, or required for the purpose of resolving any doubts or difficulties that may arise in carrying out this Scheme. The Transferor Company and the Transferee Company by their respective Boards of Directors or Delegates are authorised to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions(to the extent permissible under law) for bringing this Scheme into effect, and/or give such consents as may be required in terms of this Scheme. In the event that any conditions are imposed by NCLT or any Governmental Authorities, which the Board of Directors of the Transferee Company find unacceptable for any reason, then the Transferee Company shall be at liberty to withdraw the Scheme.
- 18.2. For the purpose of giving effect to this Scheme or to any modification(s) there for addition(s) thereto, the Delegates (acting jointly) of the Transferor Company and Transferee Company may give and are authorised to determine and give all such directions as are necessary for settling or removing any question of doubt or difficulty




that may arise under this Scheme or in regard to the meaning or interpretation of any provision of this Scheme or implementation thereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders or depositors, if any of the Transferor Company) or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any such conditions (to the extent permissible in law) and such determination or directions or waiver, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme. For the avoidance of doubt it is clarified that where this Scheme requires the approval of the Board of Directors of the Transferor Company or the Transferee Company to be obtained for any matter, the same may be given through their Delegates.

19) CONDITIONALITY OF SCHEME

The Scheme is conditional upon and subject to —

- 19.1. The Scheme being approved by the requisite majority of members, creditors of the Transferor Company and approved by the Shareholders of the Transferee Company through resolution passed in terms of paragraphs 9 (a) and 9 (b) of Annexure 1 of the SEBI Circular dated March 10, 2017 and also approved by the requisite majority of the creditors of the Transferee Company;
- 19.2. The scheme having been approved by NCLT, Hyderabad bench, and the Transferee Company having received a certified true copy of order of Tribunal approving the Scheme;
- 19.3. Certified true copy of order of Tribunal approving the Scheme being filed with the Registrar of Companies having jurisdiction over the Transferee Company.
- 19.4. All other sanctions and approvals, as may be required by law, in respect of this Scheme being obtained.
- 19.5 The approval by the requisite sanction or approval from the Securities and Exchange Board of India, Stock Exchange, Registrar of Companies, Regional Director, Official Liquidator as may be applicable or as may be directed by the Tribunal.

20) SEVERABILITY

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




21) EXPENSES CONNECTED WITH THE SCHEME

All costs, charges, taxes including duties (including the stamp duty, if any, applicable in relation to this Scheme), levies and all other expenses, if any (saved as expressly otherwise agreed) of the Transferor Company and the Transferee Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne and paid by the Transferee Company.

 