

SCHEME OF AMALGAMATION

OF

**SOFTNAUTICS INC.
(Transferor Company-1)**

AND

**SOFTNAUTICS PRIVATE LIMITED
(Transferor Company-2)**

WITH

**MOSCHIP TECHNOLOGIES LIMITED
(Transferee Company)**

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

**UNDER SECTIONS 230 TO 232 READ WITH SECTION 234 AND OTHER APPLICABLE PROVISIONS
OF THE COMPANIES ACT, 2013**




A. An overview of Scheme of Amalgamation

This Scheme of Amalgamation of Softnautics Inc. (hereinafter referred to as "Transferor Company-1") and Softnautics Private Limited (hereinafter referred to as "Transferor Company-2") with "MosChip Technologies Limited" (hereinafter refer to as "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 read with Section 234 and other applicable provisions of the Companies Act, 2013 ("the Act"). Both Transferor Company-1 and Transferor Company-2 are collectively referred to as "Transferor Companies".

The Transferor Company-1 is a wholly owned subsidiary of the Transferee Company and the Transferor Company-2 is an indirect wholly owned subsidiary of the Transferee Company (i.e. 9,999 (99.99%) equity shares are held by the Transferor Company-1 and 01 (0.01%) equity share is held by the Transferee Company, where the Transferor Company-1 is a wholly owned subsidiary of the Transferee Company). It is proposed that the Transferor Company-1 and Transferor Company-2 be amalgamated with the Transferee Company, followed by the dissolution without winding up of the Transferor Companies and the consequent cancellation of equity shares held by the Transferee Company and its Nominees in the Transferor Company-1 and cancelation of equity shares held by the Transferor Company-1 and the Transferee Company in the Transferor Company-2 pursuant to provisions of Sections 230 to 232 read with Section 234 of the Companies Act, 2013.

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




B. Background and Description of Companies

I. **Softnautics Inc. (“Transferor Company-1”)** is a wholly owned subsidiary of the Transferee Company, was registered as a body corporate on 06th July, 2016 with Entity No. 3924375 and Employer Identification Number: 81-3297440 in California, United States of America with principal address at 4699, Old Ironsides Dr., Suite 278, Santa Clara, CA 95054. The name of the body corporate was changed from SOFTNAUTIC INC to SOFTNAUTICS INC., with effect from August 01, 2016. The Transferor Company-1 is a wholly owned subsidiary of the Transferee Company.

The Transferor Company-1 is engaged in the business of software development.

II. **Softnautics Private Limited (“Transferor Company-2”)** was incorporated as a private limited Company on 02nd September, 2016 under the CIN: U72200GJ2016PTC093574, in accordance with the provisions of the Companies Act, 2013 and then after converted into an LLP on 25/01/2018 Viz., Softnautics LLP (“LLP”) under the LLPIN: AAL-8405. On 04th April, 2025 Softnautics LLP converted into private limited Company Viz. Softnautics Private Limited under the CIN: U62013TS2025FTC196543 and having its registered office at 07th Floor, My Home Twitza, Plot No.30/A, Sy. No.83/1, Madhapur, Hyderabad, Shaikpet, Telangana, India, 500081. The Transferor Company-2 is an indirect wholly owned subsidiary of the Transferee Company.

The main objects of the Transferor Company-2 are set out in Clause III of Memorandum of Association.

III. **MosChip Technologies Limited (“Transferee Company”)** is a Listed Public Limited Company incorporated on July 27, 1999 under the Companies Act, 1956 and having its registered office at 07th Floor, My Home Twitza, Plot No.30/A, Sy.No.83/1, TSIIIC Hyderabad Knowledge City, Raidurg, Panmaktha, Madhapur, Hyderabad, Shaikpet, Telangana, India, 500081. The CIN of the Company is L31909TG1999PLC032184. The equity shares of the Transferee Company are listed on BSE Limited (Security Code: 532407) & National Stock Exchange of India Limited (Scrip ID: MOSCHIP).



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-1 is direct wholly owned subsidiary of the Transferee Company and engaged in the similar nature of business and the Transferor Company-2 is an indirect wholly owned subsidiary of the Transferee Company. In order to consolidate the similar nature of business at one place and effectively manage the Transferor Companies 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 Companies be amalgamated with the Transferee Company.
- 2) The independent operations of the Transferor Companies and the Transferee Company leads to incurrance 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 all 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 amalgamation 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 Companies and the Transferee Company.

- 4) The synergies created by the Scheme would increase operational efficiency and integrate business functions.
- 5) This Scheme provides for the amalgamation of the Transferor Companies 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 proposed amalgamation will strengthen the 'MosChip' brand leading to a stronger market presence providing customers with a seamless experience, and removing any other brand perception / distinction in the customers mind, and provide greater integration and flexibility to the Transferee Company and strengthen its position in the industry, in terms of the asset base, revenues, product and service range.
- 7) 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.
- 8) In view of the above, it is considered desirable and expedient to amalgamate the Transferor Companies 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 is divided into following parts:

- (i) **PART I**, which contains the definitions and interpretations;
- (ii) **PART II**, which deals with the Share Capital of the Transferee Company and the Transferor Companies, and date of taking effect & operative date of the Scheme;
- (iii) **PART III**, which deals with transfer and vesting of Undertakings (*as defined hereinafter*) of the Transferor Companies with the Transferee Company;
- (iv) **Part IV**, which deals with the cancellation of equity shares and increase in authorized capital of the Transferee Company;
- (v) **Part V**, which deals with Accounting Treatment adopted for the Scheme;
- (vi) **Part VI**, deals with the procedures relating to the Transferor Company-1 under the Applicable Laws of California; and
- (vii) **Part VII**, this part of the Scheme contains other provisions and conditions applicable to the scheme.

E. The amalgamation of the Transferor Companies 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(1B) and Section 47 thereof.

PART I

DEFINITIONS AND INTERPRETATIONS

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, 2025 (**First day of April, Two Thousand and Twenty Five**) or such other date(s) as may be approved by the NCLT (*as defined hereinafter*) 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 Companies 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 "**California Secretary of State**" means the registrar for business entities in California, having jurisdiction over the Transferor Company-1.
- 1.6 "**Clause**" and "**Sub-Clause**" means the relevant Clauses and Sub-clauses set out in this Scheme.

1.7 **"Effective Date"** means the last of the dates on which the sanctions, approvals, consents, matters or filings referred to in Clause 20 of this Scheme is complied with or obtained or waived, as the case maybe.

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.

1.8 **"Equity Share(s)"** means the equity shares of the Transferor Companies or the Transferee Company, as the case may be.

1.9 **"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.

1.10 **"Governmental Authority" or "Appropriate 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, Regional Director, Official Liquidator, Reserve Bank of India, California Secretary of State and National Company Law Tribunal.

1.11 **"Law(s)" or "Applicable Law(s)"** 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 Appropriate Authority, NCLT, Board, Court of India or any other Country or jurisdiction as applicable.

1.12 **"Listing Regulations"** means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.




- 1.13 “**NCLT**” means the Hon'ble National Company Law Tribunal (NCLT), Hyderabad Bench at Hyderabad, having jurisdiction in relation to the Transferor Company-2 and the Transferee Company.
- 1.14 “**NSE**” means National Stock Exchange of India Limited.
- 1.15 “**RBI**” means Reserve Bank of India.
- 1.16 “**Registrar of Companies**” or “**ROC**” means the Registrar of Companies at Hyderabad, having jurisdiction in relation to the Transferor Company-2 and the Transferee Company.
- 1.17 “**Rules**” means the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
- 1.18 “**Scheme**” or “**The Scheme**” or “**This Scheme**” or “**Scheme of Amalgamation**” means this Scheme of amalgamation in its present form, submitted to the National Company Law Tribunal or any other Appropriate Authority in the Relevant Jurisdiction, or with any modification(s) made under Clause 19 of this Scheme, as approved or directed by the National Company Law Tribunal or any other Appropriate Authority.
- 1.19 “**SEBI**” means the Securities and Exchange Board of India.
- 1.20 “**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.
- 1.21 “**Stock Exchanges**” means BSE & NSE, where the Equity Shares of the Transferee Company are listed and traded.



- 1.22 "**Transferor Company-1**" means "**Softnautics Inc ("Transferor Company-1")**" is a wholly owned subsidiary of the Transferee Company, was registered as a body corporate on 06th July, 2016 with Entity No. 3924375 and Employer Identification Number: 81-3297440 in California, United States of America with principal address at 4699, Old Ironsides Dr., Suite 278, Santa Clara, CA 95054. The name of the body corporate was changed from SOFTNAUTIC INC to SOFTNAUTICS INC., with effect from August 01, 2016.
- 1.23 "**Transferor Company-2**" means "**Softnautics Private Limited ("Transferor Company-2")**" was incorporated as a private limited Company on 02nd September, 2016 under the CIN: U72200GJ2016PTC093574, in accordance with the provisions of the Companies Act, 2013 and then after converted into an LLP on 25/01/2018 Viz., SOFTNAUTICS LLP ("LLP") under the LLPIN: AAL-8405. On 04th April, 2025 Softnautics LLP converted into private limited Company viz. Softnautics Private Limited under the CIN: U62013TS2025FTC196543 and having its registered office at 07th Floor, My Home Twitza, Plot No.30/A, Sy. No.83/1, TSIC Hyderabad Knowledge City, Raidurg, Panmaktha, Madhapur, Hyderabad, Shaikpet, Telangana, India, 500081.
- 1.24 "**Transferor Companies**" means collectively, the Transferor Company-1 and the Transferor Company-2.
- 1.25 "**Transferee Company**" means "MosChip Technologies Limited", a Company incorporated under the provisions of the Companies Act, 1956 and having its registered office at 07th Floor, My Home Twitza, Plot No.30/A, Sy. No.83/1, TSIC Hyderabad Knowledge City, Raidurg, Panmaktha, Madhapur, Hyderabad, Shaikpet, Telangana, India, 500081 (CIN Number: L31909TG1999PLC032184).
- 1.26 "**Undertaking**" shall mean and include each of the whole of the undertaking(s) and entire businesses of the Transferor Companies 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 Companies, 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 Companies, 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 Companies 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 Companies or in connection with or relating to the Transferor Companies 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 Companies, whether in India or abroad; whole of the undertaking of the Transferor Companies, 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, Software License, Domain / Websites etc., in connection / relating to the Transferor Companies 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 Companies, 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 Companies, 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 Companies;

- (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 Companies;
- (V) All permanent employees engaged by the Transferor Companies 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 Companies;
- (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 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;

1.27 Interpretation

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

2.1. SHARE CAPITAL OF THE TRANSFEROR COMPANIES AND THE TRANSFEREE COMPANY

The Capital Structure of the Transferor Companies and the Transferee Company as on 31st March, 2025 and immediately before implementation of the Scheme are as under:

2.1.1. The share capital of the Transferor Company-01 as on December 31, 2024 was as under:

Authorised Capital	Amount in US \$
1,50,00,000 Equity shares of US\$ 0.0001 each	1,500
Total	1,500
Issued, Subscribed and Paid-Up Capital	




1,35,82,000 Equity shares of US\$ 0.0001 each fully paid up	1,358.2
Total	1,358.2

Subsequent to the above date, there are no further changes in the share capital of the Transferor Company-1 as on the date of approval of the Scheme by the Board of Directors of the Transferor Company-1.

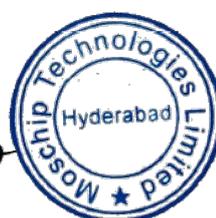
2.1.2. The share capital of the Transferor Company-2 as on April 04, 2025 was as under:

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

Subsequent to the above date, there are no further changes in the share capital of the Transferor Company-2 as on the date of approval of the Scheme by the Board of Directors of the Transferor Company-2.

2.1.3. The share capital of the Transferee Company as on December 31, 2024 was as under:

Authorised Capital	Amount in Rs.
28,27,55,000 Equity shares of Rs.02/- each	56,55,10,000
Total	56,55,10,000
Issued Capital	
19,08,88,926 Equity shares of Rs.02/- each	381,7,77,852
Subscribed and Paid-Up Capital	

19,08,88,926 Equity shares of Rs.02 /- each fully paid up	38,17,77,852
Total	38,17,77,852

Subsequent to the above date, the Issued, Subscribed and Paid-Up Capital of the Transferee Company has been increased to Rs.38,21,56,584 divided into 19,10,78,292 Equity shares of Rs.02 /- each fully paid up.

2.1.4. Since the Transferor Companies are wholly owned subsidiaries of the Transferee Company directly and indirectly, the entire share capital of the Transferor Companies is held directly and indirectly by the Transferee Company shall stand cancelled on the Scheme being effective, that is, on the Effective Date, however, with effect from the Appointed Date.

2.2. DATE OF TAKING EFFECT AND OPERATIVE DATE

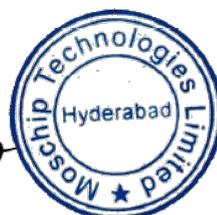
The Scheme set out herein in its present form or with any modification(s), if any made as per Clause 19 of Part-V of this Scheme shall be effective from the Appointed Date but shall come into force from the Effective Date.

PART III

TRANSFER AND VESTING OF UNDERTAKINGS OF THE TRANSFEROR COMPANIES WITH THE TRANSFEREE 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 Companies, including all the debts, liabilities, duties and obligations, including those arising on account of taxation laws and other allied laws, of the Transferor Companies of every description and also including, without limitation, all the

movable and immovable properties and assets (whether tangible or intangible) of the Transferor Companies 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 Companies as on the Appointed Date whether provided for or not in the books of account of the Transferor Companies 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 Companies or on any income earned from those assets.
- 3.3. With effect from the Appointed Date, all inter-party transactions between the concerned Transferor Companies and between the respective Transferor Companies 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 concerned Transferor Companies and between the respective Transferor Companies 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 Companies 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 Companies, 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 Companies 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 Companies 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 Companies shall stand vested in or transferred to the




Transferee Company without any further act or deed and shall be appropriately mutated by the Appropriate Authorities concerned in favour of the Transferee Company upon the vesting and transfer of the Undertakings of the Transferor Companies pursuant to this Scheme. The benefit of all statutory and regulatory permissions, 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 Companies 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. LEGAL PROCEEDINGS

- 4.1. Any suit, appeal or other proceedings of whatever nature by or against the Transferor Companies 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 Companies as if this Scheme had not been made.
- 4.2. In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against the Transferor Companies 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.

5. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- 5.1. 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 Companies and to which the Transferor Companies 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 Companies, the Transferee Company had been a party thereto.
- 5.2. 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 Companies 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 Companies and to implement or carry out all formalities required on the part of the Transferor Companies to give effect to the provisions of this Scheme.
- 5.3. 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 Companies or to which the Transferor Companies are a party or to the benefit of which the Transferor Companies 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 Companies, the Transferee Company had been a party or beneficiary or obliged thereto.




5.4. 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 Companies 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.

6. STAFF AND EMPLOYEES OF THE TRANSFEROR COMPANIES

6.1. On the Scheme becoming effective, the employees, if any, of the Transferor Companies on the Effective Date shall be deemed to have become the employees of the Transferee Company with effect from the Appointed Date or the date of joining whichever is later 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 with reference to their employment with the Transferor Companies on the Effective 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 Companies; and
- iii. The Transferee Company undertakes to continue to abide by the agreement/settlement, if any, entered into by the Transferor Companies with any of its employees, which is in force as on the Effective 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 Companies 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 Companies 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 Companies.

7. PAYMENT OF TAX

All taxes paid or payable by the Transferor Companies 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 Companies 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.

8. 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 Companies, 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

CANCELLATION OF EQUITY SHARES AND INCREASE IN AUTHORIZED CAPITAL OF THE TRANSFEREE COMPANY

9. CANCELLATION OF EQUITY SHARES

9.1. Upon the coming into effect of this Scheme, and in consideration of the transfer of and vesting of the Undertakings of the Transferor Companies in the Transferee Company in terms of the Scheme:

- (i) all the equity shares issued and allotted by the Transferor Company-2 and held by the Transferor Company-1 and the Transferee Company shall stand cancelled and extinguished and in lieu thereof, there shall be no allotment of equity shares in the Transferee Company as the Transferor Company-1 is being amalgamated with the Transferee Company pursuant to the Scheme; and
- (ii) all the equity shares issued and allotted by the Transferor Company-1 and held by the Transferee Company and/or its nominees shall stand cancelled and extinguished and in lieu thereof, there shall be no allotment of equity shares in the Transferee Company.

10. INCREASE IN AUTHORIZED CAPITAL OF THE TRANSFEREE COMPANY

10.1. Upon the Scheme becoming effective, the authorized share capital of the Transferor Company-2 shall stand combined with the authorized share capital of the Transferee Company. Filing fees and stamp duty, if any, paid by the Transferor Company-2 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.




10.2. '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.56,65,10,000 (Rupees Fifty Six Crore Sixty Five Lakh Ten Thousand only) divided into 28,32,55,000 (Twenty Eight Crore Thirty Two 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.”

PART V

ACCOUNTING TREATMENT

11. ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEREE COMPANY

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” of accounts 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:

- 11.1. The Transferee Company shall, record all the assets and liabilities, including reserves of the Transferor Companies vested in it pursuant to this Scheme, at their respective book values as appearing in the books of the Transferor Companies on the Appointed Date.
- 11.2. If at the time of amalgamation, the Transferor Companies 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.

11.3. investment, if any, in the equity share capital of the Transferor Companies 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.

11.4. The loans and advances or payables or receivables of any kind, held inter-se, if any between the concerned Transferor Companies and between the respective Transferor Companies and the Transferee Company, as appearing in its respective books of accounts shall 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.

PART VI

PROCEDURES RELATING TO THE TRANSFEROR COMPANY-1 **UNDER THE LAWS OF CALIFORNIA**

12. Procedures relating to the Transferor Company-1 under the Laws of California:

12.1. The Transferor Company-1 is incorporated under the Laws of California.

12.2. In terms of the Chapter 11 of the California Corporations Code of California, a company can merge with one or more companies incorporated under the laws of a jurisdiction other than that of California where the merger is permitted by the laws of such jurisdiction.

12.3. The sole shareholder of the Transferor Company-1 is the Transferee Company and it has approved the Scheme.

12.4. The amalgamation of the Transferor Company-1 with the Transferee Company shall be in accordance with the necessary and applicable provisions and procedural requirements under the Applicable Laws in California.

PART VII

OTHER PROVISIONS AND CONDITIONS APPLICABLE TO THE SCHEME

13. TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE

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

13.1. The Transferor Companies 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 Companies for and on account of, and in trust for, the Transferee Company. The Transferor Companies hereby undertake to hold the said Assets with utmost prudence until the Effective Date.

13.2. All the profits or income, taxes (including advance tax and tax deducted at source) or any costs, charges, expenditure accruing to the Transferor Companies or expenditure or losses arising or incurred or suffered by the Transferor Companies 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.

13.3. On and after the Appointed Date and until the Effective Date, the Transferor Companies shall not without the prior written approval of the Board of Directors of the Transferee Company undertake (i)

The image shows a handwritten signature in black ink on the left, which appears to be 'Suresh'. To the right of the signature is a circular blue stamp. The stamp contains the text 'Moship Technologies Limited' around the top inner edge, 'Hyderabad' in the center, and a small star symbol at the bottom.

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.

13.4. 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 Companies 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 Undertakings of the Transferor Companies or any part thereof except in the ordinary course of business, or pursuant to any pre-existing obligation(s) undertaken by the Transferor Companies.

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

14. SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities under Clause 3 above and the continuance of proceedings by or against the Transferor Companies under Clause 4 above shall not affect any transaction or proceedings already concluded by the Transferor Companies on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Companies in respect thereto as done and executed on behalf of itself.

15. DISSOLUTION OF THE TRANSFEROR COMPANIES WITHOUT WINDING-UP

15.1. On the Scheme coming into effect:

- (i) the Transferor Company-1 shall stand dissolved and it shall initiate and pursue all necessary actions under the Chapter 11 of the California Corporations Code for its dissolution; and
- (ii) the Transferor Company-2 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.

16. FILING OF APPLICATIONS

16.1. The Transferor Company-2 and the Transferee Company shall use their best efforts to make and file all applications and petitions under Sections 230 to 232 read with Section 234 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.

16.2. The Transferor Company-1 shall comply with the necessary and applicable provisions and procedural requirements under the California Corporations Code, California for effectuating the Scheme and dissolution of the Transferor Company-1.

17. VALIDITY OF EXISTING RESOLUTIONS, ETC.

Upon the coming into effect of this Scheme, the resolutions, if any, of the Transferor Companies, 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.

18. COMPLIANCE WITH SEBI REGULATIONS

Since the Transferee Company is listed company, this Scheme is subject to the compliances of all requirements under the Listing Regulations and all statutory directives of Stock Exchanges and SEBI insofar as they relate to sanction and implementation of the Scheme. However, as per Regulation 37(6) of the Listing Regulations read with SEBI Master Circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 dt. June 20, 2023, the Transferee Company is not required to obtain any approval(s) from the Stock Exchanges through no-objection letter(s) or approval of the SEBI, as the Scheme solely provide for amalgamation of wholly owned subsidiaries (Transferor Companies) with their holding company (Transferee Company). The draft Scheme will be filed with the Stock Exchanges for disclosure purpose in compliance with the above said master circular.

19. MODIFICATIONS / AMENDMENTS TO THE SCHEME

19.1. Subject to approval of NCLT, the Transferor Companies 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 Companies 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 / Appropriate 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.

- 19.2. 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 Companies 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 Companies) 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 Companies or the Transferee Company to be obtained for any matter, the same may be given through their Delegates.

20. CONDITIONALITY OF SCHEME

The Scheme is conditional upon and subject to —

- 20.1. The requisite consents, approvals or permissions of any Appropriate Authority(ies) from India, California, which by law may be necessary, for the implementation of this Scheme;
- 20.2. The approval by the requisite majority of the shareholders and/or creditors (as may be required and/or to the extent not dispensed with by the Appropriate Authority(ies)) of the Transferor Companies and the Transferee Company, as required under Applicable Law(s).

- 20.3. The Scheme having been approved by the NCLT, Hyderabad Bench, and the Transferee Company and the Transferor Company-2 having received a certified true copy of order of the NCLT approving the Scheme;
- 20.4. Certified true copy of order of the NCLT approving the Scheme being filed with the Registrar of Companies having jurisdiction over the Transferee Company and the Transferor Company-2.
- 20.5. All other sanctions and approvals, as may be required by Law, in respect of this Scheme being obtained.
- 20.6. Compliance with such other conditions as may be imposed by the NCLT or such other Government / Appropriate Authority(ies).

21. 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 Companies and the Transferee Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.

22. 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 Companies 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.