

SCHEME OF ARRANGEMENT

AMONG

SOFTCELL TECHNOLOGIES LIMITED
(TRANSFEROR COMPANY or DEMERGED COMPANY)

AND

SOFTCELL TECHNOLOGIES GLOBAL PRIVATE LIMITED
(RESULTING COMPANY 1)

AND

LENTRA AI PRIVATE LIMITED
(RESULTING COMPANY 2)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(UNDER SECTIONS 230 TO 232 AND SECTION 66 AND SECTION 52, READ WITH OTHER
APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013)



PARTS OF THE SCHEME:

The Scheme of Arrangement is divided into the following parts:

1. PART A:

This part of the Scheme deals with the background and description of Softcell Technologies Limited (Transferor Company), Softcell Technologies Global Private Limited (Resulting Company 1), and Lentra AI Private Limited (Resulting Company 2) along with the objects and rationale of the Scheme;

2. PART B:

This part of the Scheme deals with Definitions, Interpretations and Capital Structures of Transferor Company (Softcell Technologies Limited), Resulting Company 1 (Softcell Technologies Global Private Limited) and Resulting Company 2 (Lentra AI Private Limited);

3. PART C:

This part of the Scheme deals with the transfer and vesting of SI Undertaking into Resulting Company 1 (Softcell Technologies Global Private Limited) pursuant to the Scheme of Arrangement;

4. PART D:

This part of the Scheme deals with the transfer and vesting of SSG Undertaking into Resulting Company 2 (Lentra AI Private Limited) pursuant to the Scheme of Arrangement;

5. PART E:

This part of the Scheme deals with the Demerged Company (Softcell Technologies Limited) which shall retain the IB Undertaking of the Transferor Company pursuant to the Scheme of Arrangement;

6. PART F:

This part of the Scheme deals with issue of shares by the Resulting Company 1 and Resulting Company 2 to the shareholders of the Transferor Company as more detailed in the Scheme. This part of the Scheme also deals with the Accounting Treatment for the demerger in the books of Demerged Company, Resulting Company 1 and Resulting Company 2.

7. PART G:

This part of the Scheme deals with general terms and conditions as applicable to the Scheme of Arrangement.



PART A

BACKGROUND AND DESCRIPTION OF THE TRANSFEROR COMPANY (SOFTCELL TECHNOLOGIES LIMITED), RESULTING COMPANY 1 (SOFTCELL TECHNOLOGIES GLOBAL PRIVATE LIMITED) AND RESULTING COMPANY 2 (LENTRA AI PRIVATE LIMITED) ALONG WITH THE OBJECTS AND RATIONALE OF THE SCHEME

A. An overview of Scheme of Arrangement

1. This Scheme of Arrangement (the "Scheme") is presented under the provisions of Section 230 to Section 232 of the Companies Act, 2013 ("Act") and other relevant provisions of the Companies Act, 2013 as may be applicable, rules of Companies (Compromises, Arrangements Amalgamations) Rules, 2016 ("Rules"), read with Section 2(19AA) and other relevant provisions of the Income-Tax Act, 1961 for:
 - a. demerger of SI Undertaking of Transferor Company and transfer and vesting of the SI Undertaking to Softcell Technologies Global Private Limited i.e. Resulting Company 1;
 - b. demerger of SSG Undertaking of Transferor Company and transfer and vesting of the SSG Undertaking to Lentra AI Private Limited i.e. Resulting Company 2; and
 - c. what remains as "Demerged Company" shall retain the IB Undertaking in the Transferor Company (Softcell Technologies Limited) itself, pursuant to transfer and vesting of SI Undertaking into Resulting Company 1 and SSG Undertaking into Resulting Company 2.
2. This Scheme of Arrangement also provides for various other matters consequential or otherwise integrally connected herewith.

B. Background and Description of Transferor Company, Resulting Company 1 and Resulting Company 2:

1. 'Softcell Technologies Limited' or 'Transferor Company' bearing CIN U74210MH1995PLC087330 was incorporated on 10th April 1995 in accordance with the provisions of the Companies Act, 1956. The Transferor Company is a closely held unlisted company. The registered office of the Transferor Company is situated at 303, B-wing, Commercial-1, Kohinoor City, Kiroli Road, Kurla (W), Mumbai, Maharashtra - 400070.

The Transferor Company is currently engaged in three distinct and diverse business activities through the following undertakings, namely-

- a) Systems Integration Undertaking ('SI Undertaking') - involved in selling IT services and reselling of computer software and hardware products to corporate customers in India and also including the business, undertaking and activities and operations carried on directly or indirectly through the Singapore branch office;
- b) Softcell Software Group Undertaking ('SSG Undertaking') - involved in development of software products and applications including mobile applications in the retail banking and BFSI segments; and



- c) Internet Business Undertaking ('IB Undertaking') – comprising of the Internet Service Provider ('ISP') license and UIDAI license. The ISP license enables provisioning of access solutions to the internet. UIDAI license enables secure access and provisioning of infrastructure to deliver authentication services offered by UIDAI.

2. **Softcell Technologies Global Private Limited or 'Resulting Company 1'** bearing CIN U74999MH2018PTC313645 was incorporated as such on 6th September 2018 in accordance with the provisions of the Companies Act, 2013. The registered office of Resulting Company 1 is situated at 303, B-wing, Commercial-1 Kohinoor City, Kiroi Road, Kurla(W) Mumbai Mumbai City MH 400070 IN.

Resulting Company 1 is authorised by its Memorandum of Association to inter alia carry on the activities relating:

- a. To developing, design, structure, establish, maintain, market, buy, import, export, sell, broker, provide, license, implement, enhance and set up the following:
- Computer software
 - Computer hardware, servers and networking equipment and allied products
 - Software as a Service
 - Infrastructure as a Service
 - System Integration solution
 - Information Technology Software solutions
 - Customer service
 - Business Process Outsource units
 - Knowledge Process Outsource units
 - Call centres
 - Data centre
 - Internet of Things solutions
 - Machine Learning solutions
 - Artificial Reality & Virtual Reality solutions
- b. To establish, maintain, conduct, provide, procure or make available, software, hardware and/or facilities to service on-site and/or offshore outsourcing of business activities of every kind including but not limited to commercial, statistical, financial, accountancy, medical, legal, management, educational, engineering, data processing, communication and other technological social or other products or services;
- c. To carry on the business of developing, maintaining or providing a set of software applications or solutions to customers for business activities including but not limited to data processing, data analysis, data visualisation, data mining, data control, data exchange, data aggregation, data transposition, data transformation, de-duplication, manipulation and information related projects, products, services and activities;



- d. To carry on the business as importer, exporter, buyers, lessers, and sellers of and dealers in all types of electronic components and equipment necessary for attaining the above objects.

3. **Lentra AI Private Limited or 'Resulting Company 2'** bearing CIN U72900PN2018PTC177921 was incorporated as such on 30th July 2018 in accordance with the provisions of the Companies Act, 2013. The registered office of the Resulting Company 2 is situated at Mayfair Towers, Office 504, 5th Floor, SN 28, FP No. 55/1, Pune 411005, Maharashtra India.

Resulting Company 2 is authorised by its Memorandum of Association to inter alia carry on the activities relating:

- a. To developing, design, structure, establish, maintain, market, buy, import, export, sell, broker, provide, license, implement, enhance and set up the following:
- Information Technology Software solutions
 - Software as a Service
 - System Integration solution
 - Customer service
 - Business Process Outsource units
 - Knowledge Process Outsource units
 - Call centres
 - Data centre
- b. To developing and maintaining in or outside India, software and/or facilities to service on-site and/or offshore outsourcing of business activities including but not limited to data processing, data analysis, data visualisation, data mining, data control, data exchange, data aggregation, data transposition, data transformation, de-duplication, manipulation and information related projects, products, services and activities. To construct, develop methods, tools, robotics, machine learning and artificial intelligence used in the technology solutions. To carry on the business of providing a set of solutions/tools to lenders who in-turn will provide/facilitate the loan to their customers.

C. Rationale for the Scheme of Arrangement

The arrangement is aimed at the demerger of the SI Undertaking and SSG Undertaking, presently part of the Transferor Company, into Resulting Company 1 and Resulting Company 2 respectively, to segregate the said businesses into separate legal entity. The transfer and vesting by way of a demerger shall achieve the following benefits for Transferor Company, Resulting Company 1 and Resulting Company 2:

1. Each of the business activities being carried out by the Transferor Company is distinct and diverse in its business characteristics.



2. The business models and the markets of the SI Undertaking is at a different stage of maturity with a different risk and return profile as well as capital and operational requirement when compared to IB Undertaking and SSG Undertaking. It would therefore be prudent to segregate the SI Undertaking into a separate company i.e. Resulting Company 1 to maximise shareholder value. The segregation is expected to enable the SI Undertaking to be carried out with greater specialisation and focus for sustained growth.
3. The SSG Undertaking is fundamentally different as compared to the IB Undertaking and SI Undertaking and caters to distinct market, on steeper growth trajectory that requires greater investments and different set of skills. SSG Undertaking requires the creation of a viable portfolio of specialised and niche portfolio of products in the retail banking and BFSI market. It would therefore be prudent to segregate the SSG Undertaking into a separate company i.e. Resulting Company 2, to increase focus, better meet their respective customers' needs and priorities and maximise shareholder value.
4. The talent required for each of SI Undertaking, SSG Undertaking and IB Undertaking (hereinafter collectively referred to as 'Undertakings') are different in terms of qualifications, experience, investments, technology focus and skill levels. The proposed demerger will enable the respective Undertakings to conceptualise and implement talent management processes and business models as suitable to their businesses including recruitment methods, compensation structure, remuneration packages, incentive plans, skill development and other policies that are critical to its success.
5. Pursuant to the proposed demerger, Resulting Company 1, Resulting Company 2 and Demerged Company would have their own management teams which can chart out independent strategies for their respective business segment. Further, the proposed demerger would create opportunity for shareholders to participate in business of choice and reposition the businesses in their respective market segments, thereby creating opportunities for higher value creation for the respective stakeholders.
6. There is no adverse effect of this Scheme on any directors, key management personnel, promoters, non-promoter members, creditors and employees of Transferor Company, Resulting Company 1 and Resulting Company 2. The Scheme would not be prejudicial to the interests of existing stakeholders of the Transferor Company.
7. The transfer and vesting of the SI Undertaking and SSG Undertaking into Softcell Technologies Global Private Limited (Resulting Company 1) and Lentra AI Private Limited (Resulting Company 2), respectively, would be in the best interests of the shareholders, creditors and employees of Transferor Company as it would result in enhanced value for the shareholders and allow focused strategy in operation of the SI Undertaking, and SSG Undertaking respectively. Pursuant to this Scheme, and subject to Clause 6 of Part C and Clause 6 of Part D, the shareholders of the Transferor Company will get shares in Resulting Company 1 and Resulting Company 2 in the manner detailed in this Scheme and there would be no change in the economic interest for any of the shareholders of Transferor Company pre and post implementation of the Scheme.
8. In view of the above rationale, the Management recommended a Scheme of Arrangement whereby the SI Undertaking of Transferor Company (Softcell Technologies Limited) will be



demerged into Resulting Company 1 (Softcell Technologies Global Private Limited) and the SSG Undertaking of Transferor Company will be demerged into Resulting Company 2 (Lentra AI Private Limited) as going concerns with effect from the Appointed Date. The IB Undertaking shall be retained by the Demerged Company, which after demerger will continue to operate the IB Undertaking from the Appointed Date. Accordingly, the Directors have decided to make requisite applications and/or petitions before the Tribunal as the case may be, as applicable under Sections 230 to 232 read with Section 66 and Section 52 of the Act, and other applicable provisions of the Act for the sanction of this Scheme.

D. Treatment of the Scheme for the purposes of Income-tax Act, 1961

The demerger of SI Undertaking and SSG Undertaking into Resulting Company 1 and Resulting Company 2 respectively, pursuant to this Scheme shall take place with effect from the Appointed Date and shall be in accordance with the provisions of Section 2(19AA) of the Income-tax Act, 1961, such that:

1. in relation to the demerger of SI Undertaking:

- (i) all the properties of Transferor Company forming part of SI Undertaking immediately before the demerger shall become the properties of Resulting Company 1 by virtue of the demerger;
- (ii) all the liabilities of Transferor Company forming part of the SI Undertaking immediately before the demerger shall become the liabilities of Resulting Company 1 by virtue of the demerger;
- (iii) the properties and the liabilities relatable to Transferor Company forming part of SI Undertaking shall be transferred to Resulting Company 1 at the Book Value of the Transferor Company immediately before the demerger;
- (iv) Resulting Company 1 shall, in consideration of the demerger, issue shares to all the shareholders of Transferor Company, except the ESOP Trust of the Transferor Company and shall also issue shares to STPL ESOP Trust as detailed in Clause 6 of Part C in the Share Entitlement Ratio 1;
- (v) all the shareholders, except the ESOP Trust of Transferor Company as on the Record Date shall become the shareholders of Resulting Company 1 by virtue of the demerger;
- (vi) Resulting Company 1 shall issue, in consideration of the demerger, such number of shares to STPL ESOP Trust, to which the ESOP Trust of Transferor Company would have otherwise been entitled to, in order to enable Resulting Company 1 to grant stock options to its employees post demerger, pursuant to the stock options plan of Resulting Company 1; and
- (vii) the transfer of SI Undertaking shall be on a going concern basis.

2. in relation to the demerger of SSG Undertaking:

- (i) all the properties of Transferor Company forming part of SSG Undertaking immediately before the demerger shall become the properties of Resulting Company 2 by virtue of the demerger;
- (ii) all the liabilities of Transferor Company forming part of the SSG Undertaking immediately before the demerger shall become the liabilities of Resulting Company 2 by virtue of the demerger;



- (iii) the properties and the liabilities relatable to Transferor Company forming part of SSG Undertaking shall be transferred to Resulting Company 2 at the Book Value of the Transferor Company immediately before the demerger;
- (iv) Resulting Company 2 shall, in consideration of the demerger, issue shares to all the shareholders of Transferor Company, except the ESOP Trust of the Transferor Company and shall also issue shares to Lentra ESOP Trust as detailed in Clause 6 of Part D in the Share Entitlement Ratio 2;
- (v) the shareholders, except the ESOP Trust of Transferor Company as on the Record Date shall become the shareholders of Resulting Company 2 by virtue of the demerger;
- (vi) Resulting Company 2 shall issue, in consideration of the demerger, such number of shares to Lentra ESOP Trust, to which the ESOP Trust of Transferor Company would have otherwise been entitled to, in order to enable the Resulting Company 2 to grant stock options to its employees post demerger, pursuant to the stock options plan of Resulting Company 2; and
- (vii) the transfer of SSG Undertaking shall be on a going concern basis.

If any of the terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of Section 2(19AA) of the Income-tax Act, 1961 at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of Section 2(19AA) of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the Income-tax Act, 1961. Such modifications shall however not affect other parts of the Scheme.



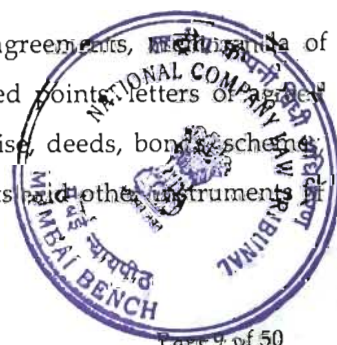
PART B

DEFINITIONS, INTERPRETATIONS AND CAPITAL STRUCTURES OF TRANSFEROR COMPANY OR DEMERGED COMPANY, RESULTING COMPANY 1 AND RESULTING COMPANY 2

1. DEFINITIONS:

In this Scheme, unless repugnant to the subject or context or meaning thereof, the following expressions shall have the meanings as set out herein below:

- 1.1 **'Act'**: means the Companies Act, 2013, the rules and regulations made thereunder and will include any statutory modifications, re-enactments or amendments thereof;
- 1.2 **'Applicable Law(s)'** means (a) all the applicable statutes, notification, enactments, listing regulations, bye-laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or other instructions having force of law enacted or issued by any Appropriate Authority including any statutory modifications or re-enactment thereof for the time being in force (b) administrative interpretations, writs, injunctions, directions, directives, judgements, arbitral awards, decree, orders, or governmental approvals of, or agreement with, any relevant authority, as may be in force from time to time;
- 1.3 **'Appointed Date'**: means 1st October 2018 or such other date as may be decided by, Directors of Transferor Company, Resulting Company 1 and Resulting Company 2 with the consent or as per the Direction by the Tribunal;
- 1.4 **'Appropriate Authority'** means any national, state, provincial, local or similar governmental, statutory, regulatory, administrative authority, agency, commission, departmental or public body or authority, board, branch, tribunal or court or other entity authorized to make laws, rules, regulations, standards, requirements, procedures or to pass directions or orders, in each case having the force of law, or any non-governmental regulatory or administrative authority, body or other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law, or any stock exchange of India or any other country including the Registrar of Companies, Regional Director, Competition Commission of India, Reserve Bank of India, National Company Law Tribunal, and such other sectoral regulators or authorities as may be applicable;
- 1.5 **'Book Values'** means the value(s) of the assets and liabilities of IB Undertaking, SI Undertaking and SSG Undertaking, as appearing in the books of accounts of the Transferor Company at the close of business as on the day immediately preceding the Appointed Date and excluding any value arising out of revaluation of any assets;
- 1.6 **'Definitive Documents'** shall mean to include all contracts, agreements, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, tenancy or leasehold or hire purchase agreements and other instruments of whatsoever nature to which the Transferor Company is a party;



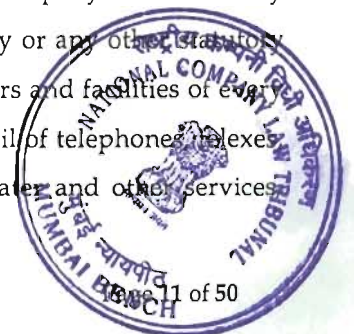
- 1.7 **'Demerged Company'** shall mean, that portion of the Transferor Company which pertains to the IB Undertaking prior to Appointed Date, and which upon the Scheme becoming effective shall retain and continue to carry on the business solely pertaining to the IB Undertaking in the Transferor Company itself, post transfer of the SI Undertaking and SSG Undertaking to Resulting Company 1 and Resulting Company 2 respectively;
- 1.8 **'Directors'** shall Mr. Sunil Dalal and Mr. D. Venkatesh;
- 1.9 **'Effective Date'**: means the date on which the last of the conditions mentioned in Clause 3 of Part G of this Scheme is fulfilled. References in this Scheme to the date of "Upon the Scheme becoming effective" or "effectiveness of this Scheme" shall mean the Effective Date;
- 1.10 **'Encumbrance'** or to **'Encumber'** means without limitation any options, claims, pre-emptive right, easement, limitation, attachment, restraint, mortgage charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance or interest of any kind securing, or conferring any priority of payment in respect of any obligation of any person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under applicable law;
- 1.11 **'ESOP Trust'** shall mean Softcell Employees Trust created pursuant to the Employees Stock Options Plan ("Plan") made effective on 1st April 2000, initially holding 2,50,000 equity shares and later increased to 4,14,500 equity shares of the Transferor Company, for grant of stock options to the employees of the Transferor Company;
- 1.12 **'ESOP Trust Loan Amount'** shall mean the total amount of loan availed by the ESOP Trust to purchase the shares of the Transferor Company for grant of stock options to the employees in accordance with the Plan;
- 1.13 **'IB'** shall mean Internet Business;
- 1.14 **'IB Undertaking'** means all the undertakings, properties and liabilities, of whatsoever nature and kind and wheresoever situated, of the Transferor Company pertaining to its IB business as detailed below:
- (i) The entire business relating to IB Undertaking division of Transferor Company and other ancillary businesses connected therewith, on a going concern basis;
 - (ii) All assets wherever situated, whether movable or immovable, leasehold or freehold, tangible or intangible, including all loans and advances, capital work-in-progress, vehicles, furniture, fixtures, office equipment, computer installations, electrical, appliances, accessories, investments, inventories, intellectual properties, technical know-how, patents, copy rights, licenses, approvals pertaining to or relating to IB business;



- (iii) All debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, short-term or long-term, whether provided for or not in the books of accounts or disclosed in the balance sheets relating to or appertaining to the said business, as per the records of Transferor Company, and shall also include any obligations under any license, permits, appertaining to the IB business;
- (iv) For the purpose of this Scheme, it is clarified that liabilities pertaining to the "IB Undertaking" include:
- a) Only liabilities which arise out of the activities or operations of the IB business;
 - b) Specific Loans and/or borrowing raised, incurred and/or utilized solely for the activities or operations of the IB business;
 - c) Loans and borrowings other than those referred to in Sub Clause (a) and (b) above and not directly relatable to IB business being the amount of any general or multipurpose borrowings of Transferor Company shall be retained by IB business, in the same proportion which the Book Value of the IB business assets retained under this clause bears to the Book Value of assets of Transferor Company, immediately before giving effect to the demerger.

Any question that may arise, as to whether the specified asset or liability pertains or does not pertain to the IB business or whether it arises out of the activities or operations of the IB business or not, shall be decided by the Directors, provided that such questions, if any, arise within 60 days from the Effective Date of the Scheme;

- (v) All permanent employees of the Transferor Company substantially engaged in the IB business and those permanent employees that are determined by the Directors to be substantially engaged in or in relation to the IB business;
- (vi) All rights and licenses, membership all assignments and grants thereof, all permits, registrations, quota rights, import quotas, rights (including rights under any agreements, contracts, applications, letters of intent, or any other contracts), subsidies, grants, tax credits, incentives or schemes of central/state governments, quality certifications and approvals, product registrations (both Indian and foreign), regulatory approvals, entitlements, industrial and other licenses, municipal permissions, goodwill, approvals, consents, tenancies if any in relation to the office and/or interest (whether vested, contingent or otherwise) in projects undertaken by the IB business, either solely or jointly with other parties, cash balances, bank balances, bank accounts, deposits, advances, recoverable, receivables, easements, advantages, financial assets, hire purchase and lease arrangements, the benefits of bank guarantees issued by Transferor Company in relation to the IB business, funds belonging to or proposed to be utilised for the IB business, privileges, all other claims, rights and benefits (including under any powers of attorney issued by the Transferor Company in relation to the IB business or any powers of attorney issued in favour of the Transferor Company or from or by virtue of any proceeding before a legal, quasi-judicial authority or any other statutory authority to which the Transferor Company was a party, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services



provisions, funds, benefits of all agreements, contracts, and arrangements and all other interests in connection with or relating to the IB business, as permitted in law;

- (vii) All books, records, files, papers, computer programs along with their licenses, manuals, and back-up copies, drawings, other manuals, data catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form, directly or indirectly in connection with or relating to the IB business;
- (viii) All advances, deposits and balances with Government, Semi-Government, Local and other authorities and bodies, customers and other persons, earnest moneys and/or security deposits paid or received by the Transferor Company, directly or indirectly in connection or with or in relation to the IB business, as permitted in law;
- (ix) All investments in securities whether in current or non-current (other than investments relatable to SI Undertaking and SSG Undertaking) in the Transferor Company, directly or indirectly in connection with or in relation to the IB business; and
- (x) All legal or other proceedings of whatsoever nature that pertain to the IB business.

Explanation:

In case of any question that may arise as to whether any particular asset or liability and/or employee pertains or does not pertain to the IB Undertaking of the Transferor Company, the same shall be decided by the Directors.

- 1.15 '**Lentra ESOP Trust**' shall mean a trust having its registered office at Mayfair Towers, Office 504, 5th Floor, SN 28,FP No. 55/1, Pune 411005 Maharashtra India, created by the Resulting Company 2 for grant of stock options to the employees of the Resulting Company 2;
- 1.16 '**Management**' shall mean Board of Directors of Transferor Company, Resulting Company 1 and Resulting Company 2, as the case may be, and unless it be repugnant to the context or otherwise, include a committee of directors or any person authorized by the Board of Directors or such committee of Directors, for the purpose of Scheme;
- 1.17 '**National Company Law Tribunal; or 'NCLT' or 'Tribunal'** means the Hon'ble National Company Law Tribunal at Mumbai, or at any other appropriate forum or authority empowered to approve the Scheme as per the law for the time being in force;
- 1.18 '**Record date(s)**' means the date to be fixed by the Directors of the Resulting Company 1 and Resulting Company 2 in consultation with the Transferor Company, after the Effective Date, for the purpose of reckoning the names of the equity shareholders of the Transferor Company who shall be entitled to receive the shares of the Resulting Company 1 and Resulting Company 2 coming into effect of the Scheme;



- 1.19 **'Registrar of Companies' or 'ROC'** means the Registrar of Companies, Mumbai and Registrar of Companies, Pune;
- 1.20 **'Resulting Company 1'** shall mean Softcell Technologies Global Private Limited;
- 1.21 **'Resulting Company 2'** shall mean Lentra AI Private Limited;
- 1.22 **'Scheme'** means this scheme of arrangement, as set out herein and approved by the Directors, subject to such modifications as the NCLT may impose or the Transferor Company, Resulting Company 1 or Resulting Company 2 may prefer and the NCLT may approve. All terms and words not defined in this scheme, unless repugnant or contrary to the context or meaning thereof, have the same meaning prescribed to them under the Act and other Applicable Laws, as the case maybe including any statutory modifications or re-enactment thereof from time to time;
- 1.23 **'Share Entitlement Ratio 1'** shall have the meaning set out in Clause 1.1 of Part F;
- 1.24 **'Share Entitlement Ratio 2'** shall have the meaning set out in Clause 1.1 of Part F;
- 1.25 **"SI"** shall mean Systems Integration;
- 1.26 **'SI Undertaking'** means all the undertakings, properties and liabilities, of whatsoever nature and kind and wheresoever situated, of the Transferor Company pertaining to its SI business as detailed below:
- (i) The entire business relating to SI Undertaking of Transferor Company and other ancillary businesses connected therewith in India and including such business, undertaking, activities and operations carried on directly through the Singapore branch abroad, on a going concern basis;
 - (ii) All assets wherever situated, whether movable or immovable, leasehold or freehold, tangible or intangible, including all loans and advances, capital work-in-progress, vehicles, furniture, fixtures, office equipment, computer installations, electrical, appliances, accessories, investments, inventories, intellectual properties, technical know-how, patents, copyrights, licenses, approvals pertaining to or relatable to the SI business;
 - (iii) All debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, short-term or long-term, whether provided for or not in the books of accounts or disclosed in the balance sheets relating to or appertaining to the said business, as per the records of Transferor Company, and shall also include any obligations under any license, permits, appertaining to the SI business;
 - (iv) For the purpose of this Scheme, it is clarified that liabilities pertaining to the Undertaking" shall include:



- a) Only liabilities which arise out of the activities or operations or licences of the SI business;
- b) Specific Loans and/or borrowing raised, incurred and/or utilized solely for the activities or operations of the SI business;
- c) Loans and borrowings other than those referred to in Sub Clause (a) and (b) above and not directly relatable to the SI business being the amount of any general or multipurpose borrowings of Transferor Company shall be allocated to SI business, in the same proportion which the Book Value of the SI business assets transferred under this clause bears to the Book Value of assets of Transferor Company, immediately before giving effect to the demerger of SI business.

Any question that may arise, as to whether the specified asset or liability pertains or does not pertain to the SI business or whether it arises out of the activities or operations of the SI business or not, shall be decided by the Directors provided that such questions, if any, arise within 60 days from the Effective Date of the Scheme;

- (v) All permanent employees of the Transferor Company substantially engaged in the SI business and those permanent employees that are determined by the Directors to be substantially engaged in or in relation to the SI business including those employed at its offices and branches in India and abroad;
- (vi) All rights and licenses, membership all assignments and grants thereof, all permits, registrations, quota rights, import quotas, rights (including rights under any agreements, contracts, applications, letters of intent, or any other contracts), subsidies, grants, tax credits, incentives or schemes of central/state governments, quality certifications and approvals, product registrations (both Indian and foreign), regulatory approvals, entitlements industrial and other licenses, municipal permissions, goodwill, approvals, consents, tenancies if any in relation to its offices and the branch at Singapore and/or interest (whether vested, contingent or otherwise) in projects undertaken by the SI business, either solely or jointly with other parties, cash balances, bank balances, bank accounts, deposits, advances, recoverable, receivables, easements, advantages, financial assets, hire purchase and lease arrangements, the benefits of bank guarantees issued by Transferor Company in relation to the SI business, funds belonging to or proposed to be utilised for the SI business, privileges, all other claims, rights and benefits (including under any powers of attorney issued by the Transferor Company in relation to the SI business or any powers of attorney issued in favour of the Transferor Company or from or by virtue of any proceeding before a legal, quasi-judicial authority or any other statutory authority to which the Transferor Company was a party, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, provisions, funds, benefits of all agreements, contracts, and arrangements and all other interests in connection with or relating to the SI business, as permitted in law;



- (vii) All books, records, files, papers, computer programs along with their licenses, manuals, and back - up copies, drawings, other manuals, data catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form, directly or indirectly in connection with or relating to the SI business;
- (viii) All advances, deposits and balances with Government, Semi-Government, Local and other authorities and bodies, customers and other persons, earnest moneys and/or security deposits paid or received by the Transferor Company, directly or indirectly in connection or with or in relation to the SI business, as permitted in law;
- (ix) All investments in securities whether in current or non-current (other than investments relatable to the IB Undertaking and SSG Undertaking) in the Transferor Company, directly or indirectly in connection with or in relation to the SI business; and
- (x) All legal or other proceedings of whatsoever nature that pertain to the SI business.

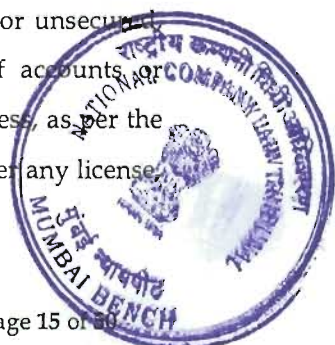
Explanation:

In case of any question that may arise as to whether any particular asset or liability and/or employee pertains or does not pertain to the SI Undertaking of the Transferor Company, the same shall be decided by the Directors.

1.27 'SSG' shall mean Softcell Software Group;

1.28 'SSG Undertaking' means all the undertakings, properties and liabilities, of whatsoever nature and kind and wheresoever situated, of the Transferor Company pertaining to its SSG business as detailed below:

- (i) The entire business relating to SSG Undertaking division of Transferor Company and other ancillary businesses connected therewith, on a going concern basis;
- (ii) All assets wherever situated, whether movable or immovable, leasehold or freehold, tangible or intangible, including all loans and advances, capital work-in-progress, vehicles, furniture, fixtures, office equipment, computer installations, electrical, appliances, accessories, investments, inventories, intellectual properties, technical know-how, patents, copy rights, licenses, approvals pertaining to or relatable to the SSG business;
- (iii) All debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, short-term or long-term, whether provided for or not in the books of accounts, or disclosed in the balance sheets relating to or appertaining to the said business, as per the records of Transferor Company, and shall also include any obligations under any license, permits, appertaining to the said business;



(iv) For the purpose of this Scheme, it is clarified that liabilities pertaining to the "SSG Undertaking" include:

- a) The liabilities which arise out of the activities or operations of the SSG business;
- b) Specific Loans and/or borrowing raised, incurred and/or utilized solely for the activities or operations of the SSG business;
- c) Liabilities other than those referred to in Sub Clause (a) and (b) above and not directly relatable to the such business being the amount of any general or multipurpose borrowings of Transferor Company shall be allocated to SSG business, in the same proportion which the value of the assets transferred under this clause bears to the total value of assets of Transferor Company, immediately before giving effect to the demerger of SSG business.

Any question that may arise, as to whether the specified asset or liability pertains or does not pertain to the SSG business or whether it arises out of the activities or operations of the SSG business or not, shall be decided by the Directors, provided that such questions, if any, arise within 60 days from the Effective Date of the Scheme;

(v) All permanent employees of the Transferor Company substantially engaged in the SSG business and those permanent employees that are determined by the Directors to be substantially engaged in or in relation to the SSG business;

(vi) All rights and licenses, membership all assignments and grants thereof, all permits, registrations, quota rights, import quotas, rights (including rights under any agreements, contracts, applications, letters of intent, or any other contracts), subsidies, grants, tax credits, incentives or schemes of central/state governments, quality certifications and approvals, product registrations (both Indian and foreign), regulatory approvals, entitlements, industrial and other licenses, municipal permissions, goodwill, approvals, consents, tenancies if any in relation to the office and/or interest (whether vested, contingent or otherwise) in projects undertaken by the SSG business, either solely or jointly with other parties, cash balances, bank balances, bank accounts, deposits, advances, recoverable, receivables, easements, advantages, financial assets, hire purchase and lease arrangements, the benefits of bank guarantees issued by Transferor Company in relation to the SSG business, funds belonging to or proposed to be utilised for the SSG business, privileges, all other claims, rights and benefits (including under any powers of attorney issued by the Transferor Company in relation to the SSG business or any powers of attorney issued in favour of the Transferor Company or from or by virtue of any proceeding before a legal, quasi-judicial authority or any other statutory authority to which the Transferor Company was a party, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, provisions, funds, benefits of all agreements, contracts, and arrangements and all other interests in connection with or relating to the SSG business, as permitted in law;



- (vii) All books, records, files, papers, computer programs along with their licenses, manuals, and back-up copies, drawings, other manuals, data catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form, directly or indirectly in connection with or relating to the SSG business;
- (viii) All advances, deposits and balances with Government, Semi-Government, Local and other authorities and bodies, customers and other persons, earnest moneys and/or security deposits paid or received by the Transferor Company, directly or indirectly in connection or with or in relation to the SSG business, as permitted in law;
- (ix) All investments in securities whether in current or non-current (other than investments relatable to the IB Undertaking and SI Undertaking) in the Transferor Company, directly or indirectly in connection with or in relation to the SSG business; and
- (x) All legal or other proceedings of whatsoever nature that pertain to the SSG business.

Explanation:

In case of any question that may arise as to whether any particular asset or liability and/or employee pertains or does not pertain to the SSG Undertaking of the Transferor Company, the same shall be decided by the Directors.

1.29 'STPL ESOP Trust' shall mean a trust having its registered office at 303, B-wing, Commercial-1 Kohinoor City, Kiroh Road, Kurla(W) Mumbai City 400070, Maharashtra India, created by the Resulting Company 1 for grant of stock options to the employees of the Resulting Company 1;

1.30 'Transferor Company' shall mean 'Softcell Technologies Limited'.

2. INTERPRETATION:

- 2.1** All terms and words used but 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.
- 2.2** Reference to clauses, recitals and schedules, unless otherwise provided, are to clauses, recitals and schedules of and to this Scheme.
- 2.3** The headings herein shall not affect the construction of this Scheme.
- 2.4** Unless the context otherwise requires, references to any law or to any provision thereof shall include references to any such law or to any provision thereof as it may, after the date hereof, from time-to-time, be amended, supplemented or re-enacted, relevant to any law or any



provisions which replaces it, and any reference to any statutory provision shall include any subordinate legislation made from time-to-time under that provision.

- 2.5 The singular shall include the plural and vice versa; and reference to one gender include all genders.
- 2.6 Any phrase introduced by the terms “including”, “include”, in “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 2.7 Reference to a person shall include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council, or employee representatives body (whether or not having separate legal personality).

3 DATE OF EFFECT AND OPERATIVE DATE:

The Scheme setout herein in its present form or with modification(s), if any, made as per Clause 2 of Part F below, the Scheme shall be effective from the Appointed Date but shall come into operation from the Effective Date.

4 CAPITAL STRUCTURE:

The capital structure of Softcell Technologies Limited, Softcell Technologies Global Private Limited and Lentra AI Private Limited is as follows:

SOFTCELL TECHNOLOGIES LIMITED

Particulars	Amount (Rs.)
Authorized Capital:	
65,10,000 Equity Shares of Rs.10/- each	6,51,00,000
Total	6,51,00,000
Issued, Subscribed and Paid up Capital:	
41,64,188 Equity Shares of Rs.10/- each	4,16,41,880
	4,16,41,880

There is no change in Capital Structure of Transferor Company after 30th September 2018.

SOFTCELL TECHNOLOGIES GLOBAL PRIVATE LIMITED

Particulars	Amount (Rs.)
Authorized Capital:	
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	1,00,000
	1,00,000



There is no change in Capital Structure of Resulting Company 1 after 30th September 2018.

LENTRA AI PRIVATE LIMITED

Particulars	Amount (Rs.)
Authorized Capital:	
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	1,00,000
	1,00,000

There is no change in Capital Structure of Resulting Company 2 after 30th September 2018.

5 GRANTS UNDER EXISTING ESOP PLAN OF TRANSFEROR COMPANY:

There are no outstanding grant of stock options under the existing stock option plan of Transferor Company.



PART C

TRANSFER AND VESTING OF SI UNDERTAKING INTO RESULTING COMPANY 1

1. TRANSFER OF SI UNDERTAKING

Upon this Scheme becoming effective and with effect from the Appointed Date and pursuant to Section 230 to Section 232 of the Companies Act, 2013 and other Applicable Laws, and pursuant to the orders of the NCLT or other Appropriate Authority, if any, sanctioning the Scheme, without any further act, instrument, deed, matter or thing, the SI Undertaking shall stand transferred and vested in Resulting Company 1, as a going concern.

2. TRANSFER OF ASSETS:

(i) Upon this Scheme becoming effective and with effect from the Appointed Date, any and all assets relating to the SI Undertaking as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and acknowledgement of possession pursuant to this Scheme, shall stand transferred and vested as such by the Transferor Company and shall become the property and an integral part of Resulting Company 1. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or endorsement, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly;

(ii) Upon the Scheme becoming effective and with effect from the Appointed Date, any and all movable properties of the Transferor Company relating to the SI Undertaking, other than those specified in sub-clause (i) of Clause 2 of Part C above, including sundry debtors, outstanding loans and advances and other current assets, if any, recoverable in cash or in kind or for value to be received, cash and bank balances and deposits, shall without any further act, instrument or deed, become the property of Resulting Company 1;

(iii) Upon this Scheme becoming effective and with effect from the Appointed Date, all assets, estate, rights, title, interest and authorities acquired by the Transferor Company after the Appointed Date and prior to the Effective Date, pertaining to the SI Undertaking shall also stand transferred to and vested in Resulting Company 1 upon coming into effect of the Scheme;

(iv) Upon the Scheme becoming effective, and with effect from the Appointed Date, such amount of the ESOP Trust Loan Amount shall be transferred to the Resulting Company 1, which shall be proportionate to the number of shares of the Resulting Company 1, to be issued to STPL ESOP Trust, to which the ESOP Trust is entitled to pursuant to the demerger.

3. TRANSFER OF LIABILITIES AND CONNECTED SECURITIES/CHARGES

(i) Upon this Scheme becoming effective and with effect from the Appointed Date, all debts, liabilities and obligations, whether recorded or not, of the Transferor Company relating to the



SI Undertaking, as on the close of business on the day immediately preceding the Appointed Date (hereinafter referred to as the 'SI Transferred Liabilities') shall become the debts, liabilities, duties and obligations of Resulting Company 1. Consequently, Resulting Company 1, upon the Scheme becoming effective shall undertake to meet, discharge and satisfy the same to the exclusion of the Demerged Company;

- (ii) Upon this Scheme becoming effective and with effect from the Appointed Date, where any of the liabilities and obligations of the SI Undertaking as on the Appointed Date deemed to be transferred to Resulting Company 1 have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been taken for and on account of Resulting Company 1 and all loans raised and used and all liabilities and obligations incurred by the Transferor Company for the operations of the SI Undertakings after the Appointed Date and prior to the Effective Date shall also without any further act or deed be and stand transferred to Resulting Company 1 and shall become liabilities of Resulting Company 1 which shall meet, discharge and satisfy the same. Such liabilities shall also form part of the Transferred Liabilities as defined hereinabove in Part C (3) (i);
- (iii) Upon this Scheme becoming effective and with effect from the Appointed Date, in so far as the existing security in respect of the SI Transferred Liabilities of the SI Undertaking is concerned, such securities shall continue to extend to and operate over the assets comprised in the SI Undertaking as the case may be, which have been and charged in respect of the SI Transferred Liabilities as transferred to Resulting Company 1 pursuant to this Scheme. Provided however, that if any of the assets comprised in the SI Undertaking which have not been charged or secured in respect of the SI Transferred Liabilities, such assets shall be transferred to Resulting Company 1 as unencumbered assets and in the absence of any formal amendments, which may be required by a lender or third party shall not affect the operation of the above and this Scheme shall not operate so as to require any charge or security to be created on such assets in relation to the SI Transferred Liabilities;
- (iv) Further, in so far as the assets comprised in the SI Undertaking are concerned, the security and charge over such assets relating to any loans and borrowings which are not transferred pursuant to this Scheme (and which shall continue with the Demerged Company) shall without any further act or deed be released from such encumbrance and shall no longer be available as security in relation to such liabilities of the Demerged Company;
- (v) Without prejudice to the previous provisions of the foregoing clauses and upon the Scheme becoming effective, the Demerged Company and Resulting Company 1, if required, may execute any instruments or documents or do all acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with their respective, jurisdictional registrar of companies, to give formal effect to the above provisions;
- (vi) Upon the coming into effect of this Scheme, the Demerged Company alone shall continue to perform all obligations in respect of the liabilities on the Appointed Date, which are associated with the IB Undertaking in terms of the Scheme, and the Demerged Company alone shall have



all obligations in respect of such liabilities, and the Demerged Company shall indemnify the Resulting Company 1 in relation to any claim, against the Resulting Company 1 in respect of the liabilities arising out of the IB Undertaking which have been retained by the Demerged Company;

- (vii) Upon the coming into effect of this Scheme and with effect from the Appointed Date, Resulting Company 1 alone shall be liable to perform all the obligations in respect of the SI Transferred Liabilities and the Demerged Company shall not have any obligations in respect of the SI Transferred Liabilities, and Resulting Company 1 shall indemnify the Demerged Company in this behalf;
- (viii) It is expressly provided that, save as mentioned in this Clause, no other term or condition of the SI Transferred Liabilities is modified by this Scheme except to the extent that such amendment is required by necessary implication to give effect to the transfer of SI Transferred Liabilities;
- (ix) Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Scheme, if approved by Hon'ble NCLT, shall operate, notwithstanding anything contrary contained in any instrument, deed or writing or terms of sanction or issue or any security document; all of which instruments, deeds or writings shall stand modified and/or suspended by the foregoing provisions.

4. TRANSFER OF CONTRACTS, AGREEMENTS, MOU, PERMITS, QUOTAS AND LICENSES OF SI UNDERTAKING

- (i) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all the Definitive Documents and all other permits, quotas, rights, entitlements, licenses including those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature including application for registration of trademark, in relation to the SI Undertaking, to which the Transferor Company was a party or to the benefits of which the SI Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date shall be in full force and effect, on or against or in favour of Resulting Company 1 and maybe enforced as fully and effectually as if, instead of the Transferor Company, Resulting Company 1 had been a party or beneficiary or obliged thereto subject to the Applicable Laws;
- (ii) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all statutory licenses, no objection certificates, permissions, approvals, consents quotas, rights, entitlements, trademarks, licenses including application for registration of trademark, licenses including those relating to privileges, powers, facilities of every kind and description of whatsoever nature, and the benefits thereto, in relation to the SI Undertaking shall stand transferred to or vested in Resulting Company 1, without any further act or deed done by the Transferor Company and Resulting Company 1 and shall be appropriately mutated in the statutory authorities, concerned therewith in favour of Resulting Company 1 upon the vesting and transfer of the SI Undertaking pursuant to the Scheme, subject to the Applicable Law.



- (iii) Upon the coming into effect of this Scheme and with effect from the Appointed Date, any such statutory and regulatory and no objection certificates, statutory licenses, permissions, consents, approvals, authorizations or registrations under Goods and Service Tax (GST), Shops and Establishment Act and other acts and tax registrations, trademark licenses including application for registration of trademark as are **jointly held** for SI Undertaking and the Transferor Company, shall be deemed to constitute separate licenses, permissions, no objection certificates, consents, approvals, authorities, registrations, or statutory rights and the relevant or concerned statutory authorities and licensors shall endorse and/or mutate or record the separation, pursuant to the filing of this Scheme as sanctioned by the honourable NCLT, with such authorities and licensors after the same becomes effective, so as to facilitate the continuation of operations in SI Undertaking / Resulting Company 1 without hindrance from the Appointed Date;
- (iv) The benefit of all statutory and regulatory permissions, licenses and consents including statutory licenses, permissions or approvals or consents required to carry on the operations of the SI Undertaking shall vest in and become available to Resulting Company 1 pursuant to this Scheme;
- (v) All contractors hitherto engaged by the Transferor Company in relation to the SI Undertaking shall be deemed to be engaged by Resulting Company 1 for the same purpose on the same terms and conditions.

5. EMPLOYEES

- (i) Upon the coming into effect of this scheme and with effect from the Appointed Date, the services of all employees of the Transferor Company employed in the SI Undertaking shall stand transferred to Resulting Company 1 ("Transferred SI Employees") on the same terms and conditions at which these employees are engaged by the Transferor Company without interruption of service. Resulting Company 1 also undertakes to accept and abide by any change in terms and conditions that may be agreed/affected by the Transferor Company with all such employees between the Appointed Date and Effective Date;
- (ii) Resulting Company 1 undertakes to continue to abide by any agreements/ settlements entered by the Transferor Company in respect of the SI Undertaking with any union/ representatives of the employees with the Transferor Company up to the effective date shall be considered for all retirement benefits payable by Resulting Company 1 to such employees subsequently. Resulting Company 1 further agrees that for payment of any retrenchment compensation, gratuity and other terminal benefits, such past services with the Transferor Company shall also be considered and agrees and undertakes to pay the same as and when payable.

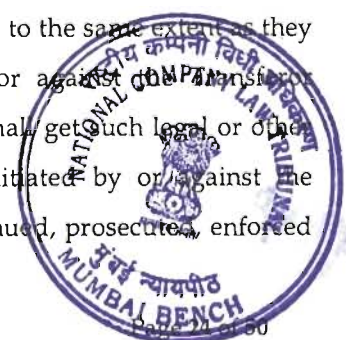
6. CREATION OF STPL ESOP TRUST:



- (i) The Resulting Company 1, has created an STPL ESOP Trust to grant stock options to its employees, pursuant to the stock options plan of the Resulting Company 1;
- (ii) The shares of the Resulting Company 1, to which the ESOP Trust of the Transferor Company would have otherwise been entitled to, pursuant to the demerger, shall be issued to STPL ESOP Trust in accordance with the Share Entitlement Ratio 1;
- (iii) The stock option plan of the Resulting Company 1 is on similar lines with the stock option of the Transferor Company and thereby, there is no such variation, which shall be detrimental to the interest of the eligible Transferred SI Employees;
- (iv) An amount, proportionate to the number of shares held by the STPL ESOP Trust pursuant to demerger, shall be transferred out of the ESOP Trust Loan Amount to STPL ESOP Trust, which shall then be liable/obligated in accordance with the Act to repay the same and accordingly the liability of repaying the ESOP Trust Loan Amount by ESOP Trust created by Transferor Company shall stand reduced to that extent;
- (v) In so far the existing provident fund, gratuity fund and pension and/ or superannuation fund, employees state insurance schemes, trusts, retirement fund or benefits or any other funds or benefits created by the Transferor Company for the employees specifically related to the SI Undertaking (collectively referred to as "Funds"), the Funds and such of the investments made by the Funds which are preferable to the employees specifically related to the SI Undertaking being transferred to Resulting Company 1 in terms of Sub Clause (i) of Clause 5 (Part C) shall be transferred to Resulting Company 1 and shall be held for the benefit pursuant to this Scheme. Resulting Company 1 in its sole discretion, will establish necessary Funds to give effect to the above transfer or deposit the same in the schemes governed under the applicable laws and rules made there under, as amended from time to time, namely Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and/or Employees State Insurance Act, 1948 and/or Payment of Gratuity Act, 1972. In the event that Resulting Company 1 does not have its own funds in respect of any of the above, Resulting Company 1 may, subject to necessary approvals and permissions, continue to contribute to the relevant funds of the Demerged Company until such time that Resulting Company 1 creates its own fund, at which time the Funds and the investments and contributions pertaining to the employees specifically related to SI Undertaking shall be transferred to the funds created by Resulting Company 1.

7. LEGAL PROCEEDING

If any suit, appeal or other proceedings relating to the SI Undertaking, of whatsoever nature by or against the Transferor Company is pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of this Scheme and the proceedings may be continued, prosecuted and enforced, by or against Resulting Company 1 in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor Company, as if this Scheme had not been made. Resulting Company 1 shall get such legal or other proceedings relating to or in connection with the SI Undertaking, initiated by or against the Transferor Company, transferred in its name and to have the same continued, prosecuted, enforced



by or against Resulting Company 1 to the exclusion of the Demerged Company. Resulting Company 1 shall also deal with all legal or other proceedings, which may be initiated by or against the SI Undertaking or Resulting Company 1 after the Effective Date, in its own name and account and to the extent possible, to the exclusion of the Demerged Company. Resulting Company 1 shall pay all amounts including interest, penalties, damages, etc. which the Transferor Company may be called upon to be paid or secured in respect of any liability or obligation relating to the SI Undertaking for the period commencing on the Appointed Date and ending on the Effective Date. Any reasonable costs incurred by the SI Undertaking and for the period commencing on the Appointed Date and ending on the Effective Date shall be reimbursed by Resulting Company 1, upon submission of necessary evidence of having incurred such costs by the Transferor Company to Resulting Company 1.

8. INCOME TAX AND OTHER PROVISIONS

- (i) With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess, receivables, payables by Transferor Company relating to the SI Undertaking including all or any refunds/credits/claims/ tax losses/unabsorbed depreciation relating thereto shall be treated as asset/liability or refund/credit/claims/tax-losses/unabsorbed depreciation, as the case maybe, of Resulting Company 1;
- (ii) The tax payments (including, without limitation income-tax, goods and service tax, service tax, excise duty, central sales tax, applicable state value-added tax) whether by way of tax deducted at source, advance tax, all earnest monies, security deposits, provisional payments, payment under protest or otherwise howsoever by Transferor Company with respect to the SI Undertaking after the Appointed Date shall be deemed to be paid by Resulting Company 1 and shall, in all proceedings, be dealt with accordingly;
- (iii) Any refund, under the Income-tax Act 1961, Goods and Service Tax Act, Service Tax, Central Sales Tax, Customs, Excise applicable, State Value Added Tax or other applicable laws/regulations dealing with taxes/duties/levies due to the SI Undertaking of Transferor Company consequent to the assessment made on Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by Resulting Company 1 upon this Scheme becoming effected. Further, any tax deducted at source by Transferor Company/Resulting Company 1 or any other party with respect to the SI Undertaking on transactions with Transferor Company/Resulting Company 1, if any (from Appointed Date to the Effective Date) shall be deemed to be advance tax paid by Resulting Company 1 and shall, in all proceedings, be dealt with accordingly;
- (iv) Obligation for deduction of tax at source on any payment made by or to be made by Transferor Company shall be made or deemed to have been made and duly complied with by Resulting Company 1;
- (v) Demerged Company and Resulting Company 1 are expressly permitted to revise their tax returns including tax deducted at source ('TDS') certificates/returns and to claim refunds, advance tax, credits, excise credits, setoff etc. based on the accounts of SI Undertaking vested



with Resulting Company 1 upon coming into effect of this Scheme. Such returns maybe revised and filed notwithstanding that the statutory period for such revision and filing may have expired;

- (vi) Upon the scheme becoming effective, all un-availed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax, goods and service tax, central sales tax, service tax, excise, CENVAT, applicable state value-added tax, customs, etc., relating to the SI Undertaking to which Transferor Company is entitled to shall be available to and vest in Resulting Company 1, without any further act or deed;
- (vii) Resulting Company 1 will be the successor of Transferor Company vis-à-vis the business of the SI Undertaking. Hence, it will be deemed that the benefits of any tax credits whether central, state or local, availed vis-à-vis the SI Undertaking and the obligation, if any for payment of taxes on any asset of the SI Undertaking or their erection and/or installation, etc. shall be deemed to have been availed by Resulting Company 1, or as the case may be deemed to be the obligation of Resulting Company 1;
- (viii) The Directors shall be empowered, subject to the provisions of the applicable law, to determine if any specific tax liability or any tax proceeding which specifically relates to the SI Undertaking and whether the same would be transferred to Resulting Company 1.

9. OTHER PROVISIONS

- (i) The Demerged Company and Resulting Company 1 may, after the Scheme becomes effective, for the sake of good order, execute amended and re-stated arrangements or confirmations or other writings, for the ease of Demerged Company, Resulting Company 1 and the counterparty concerned in relation to the IB Undertaking and SI Undertaking, without any obligation to do so and without modification of any commercial terms or provisions in relation thereto;
- (ii) Upon the Scheme becoming effective, Resulting Company 1 shall secure the change in record of rights and any other records relevant for mutating the legal ownership of any immovable property vested with Resulting Company 1 and relating to the SI Undertaking. The Transferor Company and Resulting Company 1 are jointly and severally authorised to file such declarations and other writings to give effect to the Scheme and to remove any difficulties in implementing the terms hereof.

10. CONDUCT OF BUSINESS

- (i) With effect from the Appointed Date and up to and including the Effective Date:
 - a. The Transferor Company shall be deemed to have been carrying on all business and activities relating to the SI Undertaking for and on behalf of and in trust for Resulting Company 1; and



- b. All income, expenditures including management cost, profits accruing to the Transferor Company and all taxes thereof or losses arising or incurred by it relating to the SI Undertaking shall, for all purposes, be treated as income, expenditures, profits, taxes or losses of Resulting Company 1;
- (ii) With effect from the Effective Date, Resulting Company 1 shall be duly authorized to carry on the business of the SI Undertaking, previously carried on by the Transferor Company;
- (iii) Resulting Company 1 unconditionally and irrevocably agrees and undertakes to pay, discharge and satisfy all the liabilities and obligations of the SI Undertaking with effect from the Appointed Date, to give effect to the foregoing provisions.

11. SAVING OF CONCLUDED TRANSACTIONS

Transfer and vesting of the SI Undertaking and continuance of the proceedings by or against Resulting Company 1 shall not in any manner effect any transaction or proceedings already completed by the Transferor Company (in respect of the SI Undertaking) on or before the Appointed Date to the end and intent that Resulting Company 1 accepts all such acts, deeds and things done and executed (in respect of the SI Undertaking) by and/ or behalf of the Transferor Company as acts, deeds and things done and executed by and on behalf of Resulting Company 1.



PART D

TRANSFER AND VESTING OF SSG UNDERTAKING INTO RESULTING COMPANY 2

1. TRANSFER OF SSG UNDERTAKING

Upon this Scheme becoming effective and with effect from the Appointed Date and pursuant to Section 230 to Section 232 of the Companies Act, 2013 and other Applicable Laws, and pursuant to the orders of the NCLT or other Appropriate Authority if any, sanctioning the Scheme, without any further act, instrument, deed, matter or thing, the SSG Undertaking shall stand transferred and vested in Resulting Company 2, as a going concern.

2. TRANSFER OF ASSETS:

- (i) Upon this Scheme becoming effective and with effect from the Appointed Date, any and all assets relating to the SSG Undertaking as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and acknowledgement of possession pursuant to this Scheme, shall stand transferred and vested as such by the Transferor Company and shall become the property and an integral part of Resulting Company 2. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or endorsement, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly;
- (ii) Upon the Scheme becoming effective and with effect from the Appointed Date, any and all movable properties of the Transferor Company relating to the SSG Undertaking, other than those specified in sub-clause (i) of Clause 2 of Part D above, including sundry debtors, outstanding loans and advances and other current assets, if any, recoverable in cash or in kind or for value to be received, cash and bank balances and deposits, shall without any further act, instrument or deed, become the property of Resulting Company 2;
- (iii) Upon this Scheme becoming effective and with effect from the Appointed Date, all assets, estate, rights, title, interest and authorities acquired by the Transferor Company after the Appointed Date and prior to the Effective Date, pertaining to the SSG Undertaking shall also stand transferred to and vested in Resulting Company 2 upon coming into effect of the Scheme;
- (iv) Upon the Scheme becoming effective, and with effect from the Appointed Date, such amount of the ESOP Trust Loan Amount shall be transferred to the Resulting Company 2, which shall be proportionate to the number of shares issued to Lentra ESOP Trust by Resulting Company 2, to which the ESOP Trust is entitled to pursuant to the demerger.

3. TRANSFER OF LIABILITIES AND CONNECTED SECURITIES/CHARGES

- (i) Upon this Scheme becoming effective and with effect from the Appointed Date, all debts, liabilities and obligations, whether recorded or not, of the Transferor Company relating to the SSG Undertaking, as on the close of business on the day immediately preceding the



Appointed Date (hereinafter referred to as the 'SSG Transferred Liabilities') shall become the debts, liabilities, duties and obligations of Resulting Company 2. Consequently, Resulting Company 2, upon the Scheme becoming effective shall undertake to meet, discharge and satisfy the same to the exclusion of the Demerged Company;

- (ii) Upon this Scheme becoming effective and with effect from the Appointed Date, where any of the liabilities and obligations of SSG Undertaking as on the Appointed Date deemed to be transferred to Resulting Company 2 have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been taken for and on account of Resulting Company 2 and all loans raised and used and all liabilities and obligations incurred by the Transferor Company for the operations of the SSG Undertakings after the Appointed Date and prior to the Effective Date shall also without any further act or deed be and stand transferred to Resulting Company 2 and shall become liabilities of Resulting Company 2 which shall meet, discharge and satisfy the same. Such liabilities shall also form part of the SSG Transferred Liabilities as defined hereinabove in Part D (3) (i);
- (iii) Upon this Scheme becoming effective and with effect from the Appointed Date, in so far as the existing security in respect of the SSG Transferred Liabilities of the SSG Undertaking is concerned, such securities shall continue to extend to and operate over the assets comprised in the SSG Undertaking as the case may be, which have been and charged in respect of the Transferred Liabilities as transferred to Resulting Company 2 pursuant to this Scheme. Provided however, that if any of the assets comprised in the SSG Undertaking which have not been charged or secured in respect of the SSG Transferred Liabilities, such assets shall be transferred to Resulting Company 2 as unencumbered assets and in the absence of any formal amendments, which may be required by a lender or third party shall not affect the operation of the above and this Scheme shall not operate so as to require any charge or security to be created on such assets in relation to the SSG Transferred Liabilities;
- (iv) Further, in so far as the assets comprised in the SSG Undertaking are concerned, the security and charge over such assets relating to any loans and borrowings which are not transferred pursuant to this Scheme (and which shall continue with the Demerged Company) shall without any further act or deed be released from such encumbrance and shall no longer be available as security in relation to liabilities of the Demerged Company;
- (v) Without prejudice to the previous provisions of the foregoing clauses and upon the Scheme becoming effective, the Demerged Company and Resulting Company 2, if required, may execute any instruments or documents or do all acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with their respective, jurisdictional registrar of companies, to give formal effect to the above provisions;
- (vi) Upon the coming into effect of this Scheme, the Demerged Company alone shall be liable to perform all obligations in respect of the liabilities on the Appointed Date, which are associated with the IB Undertaking in terms of the Scheme, and the Demerged Company alone shall have all obligations in respect of such liabilities, and the Demerged Company shall indemnify the



Resulting Company 2 in relation to any claim, against the Resulting Company 2 in respect of the liabilities arising out of the IB Undertaking, which has been retained by the Transferor Company;

- (vii) Upon the coming into effect of this Scheme and with effect from the Appointed Date, Resulting Company 2 alone shall be liable to perform all the obligations in respect of the SSG Transferred liabilities and the Demerged Company shall not have any obligations in respect of the SSG Transferred Liabilities, and Resulting Company 2 shall indemnify the Demerged Company in this behalf;
- (viii) It is expressly provided that, save as mentioned in this Clause, no other term or condition of the SSG Transferred Liabilities is modified by this Scheme except to the extent that such amendment is required by necessary implication to give effect to the SSG Transferred Liabilities;
- (ix) Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Scheme, if approved by Hon'ble NCLT, shall operate, notwithstanding anything contrary contained in any instrument, deed or writing or terms of sanction or issue or any security document; all of which instruments, deeds or writings shall stand modified and/or suspended by the foregoing provisions.

4. TRANSFER OF CONTRACTS, AGREEMENTS, MOU, PERMITS, QUOTAS AND LICENSE OF SSG UNDERTAKING

- (i) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all Definitive Documents and all other permits, quotas, rights, entitlements, licenses including those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature including application for registration of trademark, in relation to the SSG Undertaking, to which the Transferor Company is a party or to the benefits of which the SSG Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date shall be in full force and effect, on or against or in favour of Resulting Company 2 and maybe enforced as fully and effectually as if, instead of the Transferor Company, Resulting Company 2 had been a party or beneficiary or obliged thereto subject to the Applicable Laws;
- (ii) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all statutory licenses, no objection certificates, permissions, approvals, consents quotas, rights, entitlements, trademarks, licenses including application for registration of trademark, licenses including those relating to privileges, powers, facilities of every kind and description of whatsoever nature, and the benefits thereto, in relation to the SSG Undertaking shall stand transferred to or vested in Resulting Company 2, without any further act or deed done by the Transferor Company and Resulting Company 2 and shall be appropriately initiated by the statutory authorities, concerned therewith in favour of Resulting Company 2 upon the vesting and transfer of the SSG Undertaking pursuant to the Scheme subject to the Applicable Laws;



- (iii) Upon the coming into effect of this Scheme and with effect from the Appointed Date, any such statutory and regulatory and no objection certificates, statutory licenses, permissions, consents, approvals, authorizations or registrations under Goods and Service Tax (GST), Shops and Establishment Act and other acts and tax registrations, trademark licenses including application for registration of trademark as are jointly held for SSG Undertaking and the Transferor Company, shall be deemed to constitute separate licenses, permissions, no objection certificates, consents, approvals, authorities, registrations, or statutory rights and the relevant or concerned statutory authorities and licensors shall endorse and/or mutate or record the separation, pursuant to the filing of this Scheme as sanctioned by the honourable NCLT, with such authorities and licensors after the same becomes effective, so as to facilitate the continuation of operations in SSG Undertaking / Resulting Company 2 without hindrance from the Appointed Date;
- (iv) The benefit of all statutory and regulatory permissions, licenses and consents including statutory licenses, permissions or approvals or consents required to carry on the operations of the SSG Undertaking shall vest in and become available to Resulting Company 2 pursuant to this Scheme;
- (v) All contractors hitherto engaged by the Transferor Company in relation to the SSG Undertaking shall be deemed to be engaged by Resulting Company 2 for the same purpose on the same terms and conditions.

5. EMPLOYEES

- (i) Upon the coming into effect of this scheme and with effect from the Appointed Date, the services of all employees of the Transferor Company employed in the SSG Undertaking shall stand transferred to Resulting Company 2 ("Transferred SSG Employees") on the same terms and conditions at which these employees are engaged by the Transferor Company without interruption of service because of the transfer. Resulting Company 2 also undertakes to accept and abide by any change in terms and conditions that may be agreed/affected by the Transferor Company with all such employees between the Appointed Date and Effective Date;
- (ii) Resulting Company 2 undertakes to continue to abide by any agreements/ settlements entered by the Transferor Company in respect of the SSG Undertaking with any union/ representatives of the employees with the Transferor Company up to the effective date shall be considered for all retirement benefits payable by Resulting Company 2 to such employees subsequently. Resulting Company 2 further agrees that for payment of any retrenchment compensation, gratuity and other terminal benefits, such past services with the Transferor Company shall also be considered and agrees and undertakes to pay the same as and when payable.

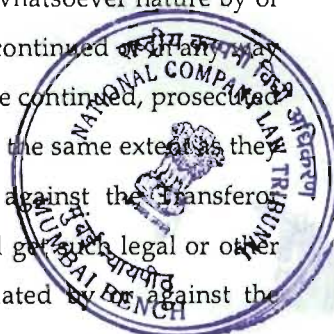
6. CREATION OF LENTRA ESOP TRUST:



- (i) The Resulting Company 2, has created a Lentra ESOP Trust, to grant stock options to the employees of the Resulting Company 2, pursuant to stock options plan, of the Resulting Company 2;
- (ii) The shares of the Resulting Company 2, to which the ESOP Trust of the Transferor Company would have otherwise been entitled to, pursuant to the demerger, shall be issued to Lentra ESOP Trust in accordance with the Share Entitlement Ratio 2;
- (iii) The stock option plan of the Resulting Company 2 is on similar lines with the stock option of the Transferor Company and thereby, there is no such variation, which shall be detrimental to the interest of the eligible Transferred SSG Employees;
- (iv) An amount, proportionate to the number of shares held by the Lentra ESOP Trust pursuant to demerger shall be transferred out of the ESOP Trust Loan Amount to SSG Trust, which shall then be liable/obligated in accordance with the Act to repay the same and accordingly the liability of repaying the ESOP Trust Loan Amount by ESOP Trust created by Transferor Company shall stand reduced to that extent;
- (v) In so far the existing provident fund, gratuity fund and pension and/ or superannuation fund, employees state insurance schemes, trusts, retirement fund or benefits or any other funds or benefits created by the Transferor Company for the employees specifically related to the SSG Undertaking (collectively referred to as "Funds"), the Funds and such of the investments made by the Funds which are preferable to the employees specifically related to the SSG Undertaking being transferred to Resulting Company 2 in terms of Sub Clause (i) of Clause 5 of Part D shall be transferred to Resulting Company 2 and shall be held for the benefit pursuant to this Scheme. Resulting Company 2 in its sole discretion, will establish necessary Funds to give effect to the above transfer or deposit the same in the schemes governed under the applicable laws and rules made there under, as amended from time to time, namely Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and/or Employees State Insurance Act, 1948 and/or Payment of Gratuity Act, 1972. In the event that Resulting Company 2 does not have its own funds in respect of any of the above, Resulting Company 2 may, subject to necessary approvals and permissions, continue to contribute to the relevant funds of the Demerged Company until such time that Resulting Company 2 creates its own fund, at which time the Funds and the investments and contributions pertaining to the employees specifically related to SSG Undertaking shall be transferred to the funds created by Resulting Company 2.

7. LEGAL PROCEEDING

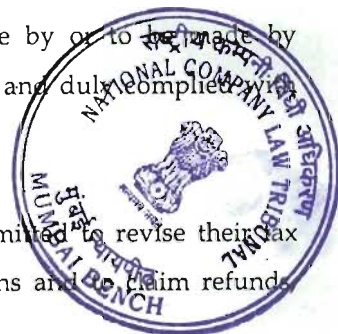
If any suit, appeal or other proceedings relating to the SSG Undertaking, of whatsoever nature by or against the Transferor Company is pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of this Scheme and the proceedings may be continued, prosecuted and enforced, by or against Resulting Company 2 in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor Company, as if this Scheme had not been made. Resulting Company 2 shall get such legal or other proceedings relating to or in connection with the SSG Undertaking, initiated by or against the



Transferor Company, transferred in its name and to have the same continued, prosecuted, enforced by or against Resulting Company 2 to the exclusion of the Demerged Company. Resulting Company 2 shall also deal with all legal or other proceedings, which may be initiated by or against the SSG Undertaking or Resulting Company 2 after the Effective Date, in its own name and account and to the extent possible, to the exclusion of the Demerged Company. Resulting Company 2 shall pay all amounts including interest, penalties, damages, etc. which the Transferor Company may be called upon to be paid or secured in respect of any liability or obligation relating to the SSG Undertaking for the period commencing on the Appointed Date and ending on the Effective Date. Any reasonable costs incurred by the SSG Undertaking and for the period commencing on the Appointed Date and ending on the Effective Date shall be reimbursed by Resulting Company 2, upon submission of necessary evidence of having incurred such costs by the Transferor Company to Resulting Company 2.

8. INCOME TAX AND OTHER PROVISIONS

- (i) With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess, receivables, payables by Transferor Company relating to the SSG Undertaking including all or any refunds/credits/claims/ tax losses/unabsorbed depreciation relating thereto shall be treated as asset/liability or refund/credit/claims/ tax losses/unabsorbed depreciation, as the case maybe, of Resulting Company 2;
- (ii) The tax payments (including, without limitation income-tax, goods and service tax, service tax, excise duty, central sales tax, applicable state value-added tax) whether by way of tax deducted at source, advance tax, all earnest monies, security deposits, provisional payments, payment under protest or otherwise howsoever by Transferor Company with respect to the SSG Undertaking after the Appointed Date shall be deemed to be paid by Resulting Company 2 and shall, in all proceedings, be dealt with accordingly;
- (iii) Any refund, under the Income-tax Act 1961, Goods and Service Tax Act, Service Tax, Central Sales Tax, Customs, Excise applicable, State Value Added Tax or other applicable laws/regulations dealing with taxes/duties/levies due to the SSG Undertaking of Transferor Company consequent to the assessment made on Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by Resulting Company 2 upon this Scheme becoming effected. Further, any tax deducted at source by Transferor Company/Resulting Company 2 or any other party with respect to the SSG Undertaking on transactions with Transferor Company/Resulting Company 2, if any (from Appointed Date to the Effective Date) shall be deemed to be advance tax paid by Resulting Company 2 and shall, in all proceedings, be dealt with accordingly;
- (iv) Obligation for deduction of tax at source on any payment made by or to be made by Transferor Company shall be made or deemed to have been made and duly complied with by Resulting Company 2;
- (v) Demerged Company and Resulting Company 2 are expressly permitted to revise their tax returns including tax deducted at source ('TDS') certificates/returns and to claim refunds



advance tax, credits, excise credits, setoff etc. based on the accounts of SSG Undertaking vested with Resulting Company 2 upon coming into effect of this Scheme. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired;

- (vi) Upon the scheme becoming effective, all un-availed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax, goods and service tax, central sales tax, service tax, excise, CENVAT, applicable state value-added tax, customs, etc., relating to the SSG Undertaking to which Transferor Company is entitled to shall be available to and vest in Resulting Company 2, without any further act or deed;
- (vii) Resulting Company 2 will be the successor of Transferor Company vis-à-vis the business of SSG Undertaking. Hence, it will be deemed that the benefits of any tax credits whether central, state or local, availed vis-à-vis the SSG Undertaking and the obligation, if any for payment of taxes on any asset of the SSG Undertaking or their erection and/or installation, etc. shall be deemed to have been availed by Resulting Company 2, or as the case may be deemed to be the obligation of Resulting Company 2;
- (viii) The Directors shall be empowered, subject to provisions of the applicable law, to determine if any specific tax liability or any tax proceeding which specifically relates to the SSG Undertaking and whether the same would be transferred to Resulting Company 2.

9. OTHER PROVISIONS

- (i) The Demerged Company and Resulting Company 2 may, after the Scheme becomes effective, for the sake of good order, execute amended and re-stated arrangements or confirmations or other writings, for the ease of Demerged Company, Resulting Company 2 and the counterparty concerned in relation to the IB Undertaking and SSG Undertaking, without any obligation to do so and without modification of any commercial terms or provisions in relation thereto;
- (ii) Upon the Scheme becoming effective, Resulting Company 2 shall secure the change in record of rights and any other records relevant for mutating the legal ownership of any immovable property vested with Resulting Company 2 and relating to the SSG Undertaking. The Transferor Company and Resulting Company 2 are jointly and severally authorised to file such declarations and other writings to give effect to the Scheme and to remove any difficulties in implementing the terms hereof.

10. CONDUCT OF BUSINESS

- (i) With effect from the Appointed Date and up to and including the Effective Date:
 - a. The Transferor Company shall be deemed to have been carrying on all business and activities relating to the SSG Undertaking for and on behalf of and in trust for Resulting Company 2; and



- b. All income, expenditures including management cost, profits accruing to the Transferor Company and all taxes thereof or losses arising or incurred by it relating to the SSG Undertaking shall, for all purposes, be treated as income, expenditures, profits, taxes or losses, as the case may be, of Resulting Company 2.
- (ii) With effect from the Effective Date, Resulting Company 2 shall be duly authorized to carry on the business of the SSG Undertaking, previously carried on by the Transferor Company;
- (iii) Resulting Company 2 unconditionally and irrevocably agrees and undertakes to pay, discharge and satisfy all the liabilities and obligations of the SSG Undertaking with effect from the Appointed Date, in order to give effect to the foregoing provisions.

11. SAVING OF CONCLUDED TRANSACTIONS

Transfer and vesting of the SSG Undertaking and continuance of the proceedings by or against Resulting Company 2 shall not in any manner effect any transaction or proceedings already completed by the Transferor Company (in respect of the SSG Undertaking) on or before the Appointed Date to the end and intent that Resulting Company 2 accepts all such acts, deeds and things done and executed by and/ or behalf of the Transferor Company as acts, deeds and things done and executed by and on behalf of Resulting Company 2.



PART E

IB UNDERTAKING REMAINING WITH THE DEMERGED COMPANY

1. IB UNDERTAKING WITH DEMERGED COMPANY

Upon this Scheme becoming effective and with effect from the Appointed Date and pursuant to Section 230 to Section 232 of the Companies Act, 2013 and other Applicable Laws, and pursuant to the orders of the NCLT or other Appropriate Authority if any, sanctioning the Scheme, without any further act, instrument, deed, matter or thing, the Demerged Company will continue the business of IB Undertaking, as a going concern.

2. RETENTION OF ASSETS:

- (i) Any and all assets of the Transferor Company relating to the IB Undertaking shall be retained by and vested in the Demerged Company and shall continue to be the property and an integral part of the Demerged Company;
- (ii) Any and all movable properties of the Transferor Company relating to the IB Undertaking, other than those specified in sub-clause (i) of Clause 2 of Part E above, including sundry debtors, outstanding loans and advances and other current assets, if any, recoverable in cash or in kind or for value to be received, cash and bank balances and deposits, shall without any further act, instrument or deed, shall continue to be associated with the Demerged Company;
- (iii) All assets, estate, rights, title, interest and authorities acquired by the Transferor Company prior to the Effective Date, pertaining to the IB Undertaking shall also be retained by the Demerged Company;
- (iv) After the transfer of the ESOP Trust Loan Amount to STPL ESOP Trust and Lentra ESOP Trust in accordance with Part C Clause 2(iv) and Part D Clause 2(iv) respectively, the balance of the ESOP Trust Loan Amount shall be retained by the ESOP Trust in the Demerged Company.

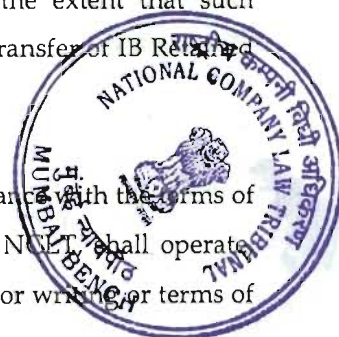
3. RETENTION OF LIABILITIES AND CONNECTED SECURITIES/CHARGES

- (i) All the debts, liabilities, duties and obligations, secured or unsecured, whether recorded or not, relating to the IB Undertaking as on the close of business on the day immediately preceding the Appointed Date (hereinafter referred to as the '**IB Retained Liabilities**') shall continue to remain in the Demerged Company and Demerged Company alone shall undertake to meet, discharge and satisfy the same to the exclusion of the SI Undertaking and SSG Undertaking;
- (ii) All loans raised and used and all liabilities and obligations incurred by the Transferor Company for the operations of the IB Undertaking prior to the Effective Date shall also without any further act or deed continue to be retained by the Demerged Company, which



shall meet, discharge and satisfy the same. Such liabilities shall also form part of the IB Retained Liabilities as defined hereinabove in Part E (3) (i);

- (iii) In so far as the existing security in respect of the IB Retained Liabilities of the IB Undertaking is concerned, such securities shall continue to extend to and operate over the assets comprised in the IB Undertaking as the case may be, which have been and charged in respect of the IB Retained Liabilities as retained by the Demerged Company pursuant to this Scheme. Provided however, that if any of the assets comprised in the IB Undertaking which have not been charged or secured in respect of the IB Retained Liabilities, such assets shall be retained by the Demerged Company as unencumbered assets and in the absence of any formal amendments, which may be required by a lender or third party shall not affect the operation of the above and this Scheme shall not operate so as to require any charge or security to be created on such assets in relation to the IB Retained Liabilities;
- (iv) Further, in so far as the assets comprised in the IB Undertaking are concerned, the security and charge over such assets relating to any loans and borrowings which are not retained by the Demerged Company pursuant to this Scheme (and which has been transferred to Resulting Company 1 or Resulting Company 2, as the case may be) shall without any further act or deed be released from such encumbrance and shall no longer be available as security in relation to such liabilities of the Resulting Company 1 and/or Resulting Company 2 as the case may be;
- (v) Without prejudice to the previous provisions of the foregoing clauses and upon the Scheme becoming effective, the Demerged Company and Resulting Company 1 and/or Demerged Company and Resulting Company 2, if required, may execute any instruments or documents or do all acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the registrar of companies, within whose jurisdiction the Demerged Company and Resulting Company 1 and/or Demerged Company and Resulting Company 2 shall fall, to give formal effect to the above provisions;
- (vi) Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Demerged Company alone shall be liable to perform all the obligations in respect of the IB Retained Liabilities and the Resulting Company 1 and/or Resulting Company 2 shall not have any obligations in respect of the IB Retained Liabilities, and Resulting Company 1 and/or Resulting Company 2 shall indemnify the Demerged Company in this behalf accordingly;
- (vii) It is expressly provided that, save as mentioned in this Clause, no other term or condition of the IB Retained Liabilities is modified by this Scheme except to the extent that such amendment is required by necessary implication to give effect to the transfer of IB Retained Liabilities;
- (viii) Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Scheme, if approved by Hon'ble NCLT, shall operate notwithstanding anything contrary contained in any instrument, deed or writing or terms of



sanction or issue or any security document; all of which instruments, deeds or writings shall stand modified and/or suspended by the foregoing provisions.

4. RETENTION OF CONTRACTS, AGREEMENTS, MOU, PERMITS, QUOTAS AND LICENSES OF IB UNDERTAKING

- (i) All the Definitive Documents and all other permits, quotas, rights, entitlements, licenses including those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature including application for registration of trademark, in relation to the IB Undertaking, to which the Transferor Company was a party or to the benefits of which the IB Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date shall continue to be in full force and effect, on or against or in favour of Demerged Company in accordance with the Applicable Laws;
- (ii) All statutory licenses including but not limited to Internet Service Provider license and UIDAI license, no objection certificates, permissions, approvals, consents quotas, rights, entitlements, trademarks, licenses including application for registration of trademark, licenses including those relating to privileges, powers, facilities of every kind and description of whatsoever nature, and the benefits thereto, in relation to the IB Undertaking shall be retained by or shall continue to vest in the Demerged Company, without any further act or deed done by the Demerged Company and shall be appropriately mutated by the statutory authorities, concerned therewith in favour of Demerged Company upon the vesting and transfer of the SI Undertaking and SSG Undertaking pursuant to the Scheme, subject to the Applicable Laws;
- (iii) Any such statutory and regulatory and no objection certificates, statutory licenses, permissions, consents, approvals, authorizations or registrations registration under Goods and Service Tax (GST), Shops and Establishment Act, trademark licenses including application for registration of trademark as are jointly held for SI Undertaking and the IB Undertakings or SSG Undertaking and IB Undertaking, shall be deemed to constitute separate licenses, permissions, no objection certificates, consents, approvals, authorities, registrations, or statutory rights and the relevant or concerned statutory authorities and licensors shall endorse and/or mutate or record the separation, pursuant to the filing of this Scheme as sanctioned by the honourable NCLT, with such authorities and licensors after the same becomes effective, so as to facilitate the continuation of retained operations in Demerged Company without hindrance from the Appointed Date;
- (iv) The benefit of all statutory and regulatory permissions, licenses and consents including statutory licenses, permissions or approvals or consents required to carry on the operations of the IB Undertaking shall continue to vest in the Demerged Company pursuant to this Scheme;
- (v) All contractors hitherto engaged by the Transferor Company in relation to the IB Undertaking shall continue to be engaged by Demerged Company for the same purpose on the same terms and conditions.



5. RETENTION OF EMPLOYEES

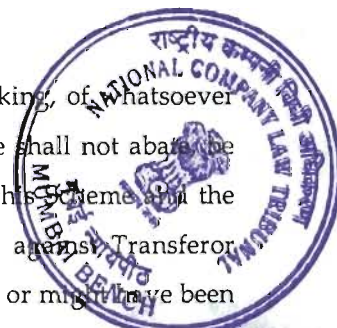
- (i) The services of all employees of the Transferor Company employed in the IB Undertaking shall be retained by the Demerged Company ("Retained IB Employees") on the same terms and conditions at which these employees are engaged by the Transferor Company prior to the Effective Date, without interruption of service;
- (ii) Demerged Company undertakes to continue to abide by any agreements/ settlements entered by the Transferor Company in respect of the IB Undertaking with any union/ representatives of the employees with the Transferor Company up to the Effective Date shall be considered for all retirement benefits payable by Demerged Company to such employees subsequently. Transferor Company further agrees that for payment of any retrenchment compensation, gratuity and other terminal benefits, the past services with the Transferor Company prior to the Effective Date shall also be considered and agrees and undertakes to pay the same as and when payable.

6. RETENTION OF ESOP TRUST:

- (i) The Transferor Company has an existing ESOP Trust to grant stock options to its employees, pursuant to the stock options plan implemented by the Transferor Company. The ESOP Trust shall be retained by the Demerged Company and shall be liable to such portion of ESOP Trust Loan Amount as determined in Part E Clause 2(iv);
- (ii) The existing stock option plan shall continue to be effective to the eligible Retained IB Employees by the Demerged Company;
- (iii) In so far the existing provident fund, gratuity fund and pension and/ or superannuation fund, employees state insurance schemes, trusts, retirement fund or benefits or any other funds or benefits created by the Transferor Company for the employees specifically related to the IB Undertaking (collectively referred to as "Funds"), the Funds and such of the investments made by the Funds which are preferable to the IB Retained Employees in terms of Sub Clause (i) of Clause 5 (Part E) shall continue to retained by Demerged Company and shall be held for benefit of IB Retained Employees pursuant to this Scheme.

7. LEGAL PROCEEDING

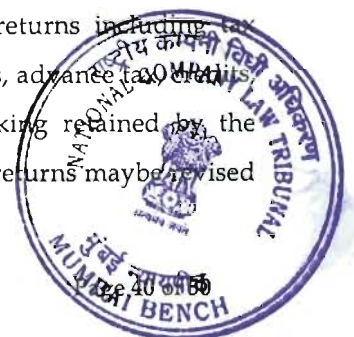
- (i) If any suit, appeal or other proceedings relating to the IB Undertaking, of whatsoever nature by or against the Transferor Company is pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of this Scheme and the proceedings may continue to be prosecuted and enforced, by or against Transferor Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor Company, as if this



Scheme had not been made. Demerged Company shall retain such legal or other proceedings relating to or in connection with the IB Undertaking, initiated by or against the Transferor Company, and shall continue to have the same prosecuted, enforced by or against Transferor Company to the exclusion of the Resulting Company 1 and Resulting Company 2. Demerged Company shall also continue to deal with all legal or other proceedings, which may be initiated by or against the IB Undertaking or Demerged Company after the Effective Date, in its own name and account and to the extent possible, to the exclusion of Resulting Company 1 and Resulting Company 2. Demerged Company shall pay all amounts including interest, penalties, damages, etc. which the Demerged Company may be called upon to be paid or secured in respect of any liability or obligation relating to the IB Undertaking for the period commencing on the Appointed Date and ending on the Effective Date. Any reasonable costs incurred by the IB Undertaking and for the period commencing on the Appointed Date and ending on the Effective Date shall be borne by the Demerged Company.

8. INCOME TAX AND OTHER PROVISIONS

- (i) All taxes, duties, cess, receivables, payables by Transferor Company relating to the IB Undertaking including all or any refunds/credits/claims/tax losses/unabsorbed depreciation relating thereto shall be retained by the Demerged Company and continue to be treated as asset/liability or refund/credit/claims/tax-losses/unabsorbed depreciation, as the case maybe, of the Demerged Company;
- (ii) The tax payments (including, without limitation income-tax, goods and service tax, service tax, excise duty, central sales tax, applicable state value-added tax) whether by way of tax deducted at source, advance tax, all earnest monies, security deposits, provisional payments, payment under protest or otherwise howsoever by Transferor Company with respect to the IB Undertaking shall be deemed to be paid by Demerged Company alone and shall, in all proceedings, be dealt with accordingly;
- (iii) Any refund, under the Income-tax Act 1961, Goods and Service Tax Act, Service Tax, Central Sales Tax, Customs, Excise applicable, State Value Added Tax or other applicable laws/regulations dealing with taxes/duties/levies due to the IB Undertaking of Transferor Company consequent to the assessment made on Transferor Company and for which no credit is taken in the accounts prior to the Appointed Date shall continue to belong to and be received by Demerged Company upon this Scheme becoming effected;
- (iv) Obligation for deduction of tax at source on any payment made by or to be made by Transferor Company in relation with the IB Undertaking shall continue to be made or deemed to have been made and duly complied with by Demerged Company alone;
- (v) Transferor Company is expressly permitted to revise their tax returns including tax deducted at source ('TDS') certificates/returns and to claim refunds, advance tax credits, excise credits, setoff etc. based on the accounts of IB Undertaking retained by the Demerged Company upon coming into effect of this Scheme. Such returns may be revised



and filed notwithstanding that the statutory period for such revision and filing may have expired;

- (vi) Upon the scheme becoming effective, all un-availed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax, goods and service tax, central sales tax, service tax, excise, CENVAT, applicable state value-added tax, customs, etc., relating to the IB Undertaking to which Transferor Company is entitled to shall continue to be available to and vest in Demerged Company, without any further act or deed;
- (vii) Demerged Company shall be the successor of the business of the IB Undertaking. Hence, it will be deemed that the benefits of any tax credits whether central, state or local, availed vis-à-vis the IB Undertaking and the obligation, if any for payment of taxes on any asset of the IB Undertaking or their erection and/or installation, etc. shall be deemed to have been availed by Demerged Company, or as the case may be deemed to be the obligation of Demerged Company;
- (viii) The Directors shall be empowered to, subject to the provisions of the Applicable Law, determine if any specific tax liability or any tax proceeding which specifically relates to the IB Undertaking and whether the same would be retained by Demerged Company.



PART F:

ISSUE OF SHARES FOR DEMERGER AND ACCOUNTING TREATMENT

1. ISSUE OF SHARES

1.1 Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the SI Undertaking and SSG Undertaking of Transferor Company in Resulting Company 1, Resulting Company 2 respectively, Resulting Company 1 and Resulting Company 2 shall, without any further act or deed, issue and allot shares to all the equity shareholders of Transferor Company, whose names appear in the Register of Members of Transferor Company, except to the ESOP Trust of the Transferor Company, and shall also allot shares to STPL ESOP Trust and Lentra ESOP Trust respectively, on a date (hereinafter referred to as "Record Date") to be fixed by the Directors in consultation with Management of Resulting Company 1 and Resulting Company 2, for the purpose of reckoning the names of the equity shareholders of Transferor Company, in consideration for the transfer of SI Undertaking and SSG Undertaking, in the following proportion namely:

- (I) *Two (2) equity shares of face value of Rs 10 (Rupees Ten) each at par in Resulting Company 1 for every five (5) equity shares of face value of Rs 10 (Rupees Ten) each held by them in the Transferor Company. (Share Entitlement Ratio 1");*
- (II) *Thirty-seven (37) equity shares of face value of Rs 10 (Rupees Ten) each at par in Resulting Company 2 for every one hundred (100) equity shares of face value of Rs 10 (Rupees Ten) each held by them in the Transferor Company. ("Share Entitlement Ratio 2");*

1.2 The shares of the Resulting Company 1 and Resulting Company 2, to which the ESOP Trust of the Transferor Company is entitled to pursuant to the demerger, shall be issued and allotted to STPL ESOP Trust and Lentra ESOP Trust respectively, in accordance with the Share Entitlement Ratio 1 and Share Entitlement Ratio 2, as detailed in Part C (3) and Part D (3) respectively;

1.3 In case any shareholder of Transferor Company has holding in Transferor Company such that it becomes entitled to a fraction of an equity share of Resulting Company 1 or Resulting Company 2, Resulting Company 1 and Resulting Company 2 shall not issue fractional share certificates to such shareholder but shall instead round-off all fractional entitlements to the next whole number above the fractional entitlement and issue such number of equity shares to the relevant shareholder;

1.4 The new equity shares of Resulting Company 1 and Resulting Company 2 to be issued to the shareholders of Transferor Company in terms of this Scheme, shall be subject to the provisions of the respective Memorandums of Association and Articles of Association of Resulting Company 1 and Resulting Company 2, and shall rank *pari passu* in all respects with the then existing equity shares in Resulting Company 1 and Resulting Company 2 in all respects;

1.5 Where the new equity shares of Resulting Company 1 and Resulting Company 2 are to be allotted, pursuant to the scheme, to heirs, executors or administrators or, as the case may be,



to successors of deceased equity shareholders of Transferor Company, the concerned heirs, executors or successors, shall be obliged to produce evidence of title satisfactory to the respective Management of Resulting Company 1 and Resulting Company 2;

1.6 The new equity shares to be issued by Resulting Company 1 and Resulting Company 2, pursuant to the Scheme, in respect of any equity shares of Transferor Company, which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall, pending allotment or settlement of dispute by order of court or otherwise, be held in abeyance respectively by Resulting Company 1 and Resulting Company 2;

~~1.7 In the event of there being any pending and valid share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Management or any committee thereof of the Transferor Company shall be empowered in appropriate cases, even subsequent to the Appointed Date or the Effective Date, as the case may be, to effectuate such a transfer in the Transferor Company, as if such changes in registered holder were operative as on the record date in order to remove any difficulties arising to Resulting Company 1 or Resulting Company 2, as the case may be, of such shares;~~

1.8 The issue and allotment of shares to shareholders of the Transferor Company by Resulting Company 1 and Resulting Company 2, as provided in this scheme, shall be deemed to be made in compliance with the procedure laid down under Section 62 of the Companies Act, 2013.

2. AUTHORIZED SHARE CAPITAL OF RESULTING COMPANY 1 AND RESULTING COMPANY 2

2.1 Upon the Scheme becoming effective, subject to payment of necessary stamp duty, registration fees, the authorised share capital of Resulting Company 1 shall stand increased to Rs. 3,00,00,000/- (Rupees Three Crores only) divided into 30,00,000 (Thirty Lakhs) equity shares of face value of Rs. 10/- (Rupees Ten only).

2.2 Upon the Scheme becoming effective, subject to payment of necessary stamp duty, registration fees, the authorised share capital of Resulting Company 2 shall stand increased to Rs. 3,00,00,000/- (Rupees Three Crores only) divided into 30,00,000 (Thirty Lakhs) equity shares of face value of Rs. 10/- (Rupees Ten only).

2.3 The words and figures in Clause 5 of the Memorandum of Association of Resulting Company 1 shall stand modified and be substituted to read as follows:

The authorized share capital of the company shall be Rs 3,00,00,000/- (Rupees Three Crores only) divided into 30,00,000 (Thirty Lakhs) equity shares of Rs 10/- each (Rupees Ten only) with power to increase or decrease the capital.

2.4 The words and figures in Clause 5 of the Memorandum of Association of Resulting Company 2 shall stand modified and be substituted to read as follows:



The authorized share capital of the company shall be Rs. 3,00,00,000/- (Rupees Three Crores only) divided into 30,00,000 (Thirty Lakhs) equity shares of Rs 10/- each (Rupees Ten only) with power to increase or decrease the capital.

- 2.5 It is clarified that for the purpose of this clause, the consent of the shareholder of the Demerged Company and Resulting Company 1 and Resulting Company 2 to this Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and no further resolutions under any provision of the act would be required to be separately passed.

3. ACCOUNTING TREATMENT

3.1. Treatment in the books of the Transferor Company

3.1.1. With effect from the Appointed Date and upon the Scheme becoming effective, the Book Value of assets and liabilities of the SI Undertaking and SSG Undertaking as appearing in the books of accounts of the Transferor Company and being transferred to Resulting Company 1 and Resulting Company 2 respectively, shall be reduced from the corresponding balances of the assets and liabilities of the Transferor Company.

3.1.2. The Securities Premium, General Reserves and Surplus in the statement of profit and loss of the Transferor Company which specifically relate to SI Undertaking and SSG Undertaking respectively, in the same forms shall be transferred to Resulting Company 1 and Resulting Company 2 respectively as may be decided by the Directors and Management of the Resulting Companies as on the Appointed Date.

3.1.3. The difference between the values of assets and value of liabilities and reserves transferred pursuant to Scheme shall be appropriated and adjusted against the following, to the extent required:

- (i) Securities Premium Account
- (ii) General Reserve Account
- (iii) Surplus in the statement of profit and loss
- (iv) Equity Share Capital Account

3.1.4. The reduction in assets, liabilities and reserves of Transferor Company, including the securities premium account and equity share capital account, as may be required herein above, shall be affected as an integral part of the Scheme and the order of the Hon'ble NCLT sanctioning the scheme shall be deemed to be also the order under Sections 66 and Section 52 of the Companies Act, 2013 for the purpose of confirming the reduction of the Securities Premium Account and /or Equity Share Capital.

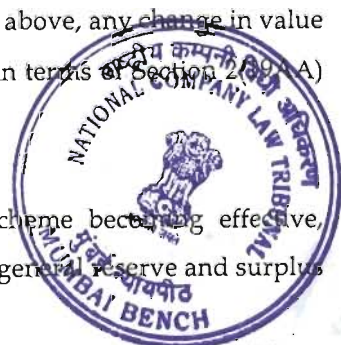
3.2. Treatment in the Books of Resulting Company 1



- 3.2.1. With effect from the Appointed Date and upon the Scheme becoming effective, Resulting Company 1 shall record all the assets and liabilities of the SI Undertaking transferred to it in pursuance of this Scheme at their respective Book Value appearing in the books of account of the Transferor Company as on the Appointed Date. In determining the Book Value of the assets referred to herein above, any change in value of assets consequent to their revaluation shall be ignored in terms of Section 2(19AA) of the Income-tax Act, 1961.
- 3.2.2. With effect from the Appointed Date and upon the Scheme becoming effective, Resulting Company 1 shall record the securities premium, general reserve and surplus in the statement of profit and loss vested in it pursuant to the Scheme at their respective Book Value in the same form in which they appeared in the books of account of the Transferor Company at the close of business on the day prior to the Appointed Date.
- 3.2.3. Resulting Company 1 shall credit its share capital account with the aggregate face value of the new equity shares issued by it to the members of Transferor Company pursuant to Clause 1.1 of this Part (i.e. Part F) of the Scheme.
- 3.2.4. The excess of Book Value of assets and book value of liabilities so recorded in the books of account of Resulting Company 1, as reduced by the aggregate sum of the paid-up value of the equity share capital issued by Resulting Company 1 in terms of Clause 1.1 of Part F above and after giving effect to Clause 4.1.b of Part F, if any, shall be credited Capital Reserves of Resulting Company 1. The deficit, if any, shall be debited to Goodwill.
- 3.2.5. Resulting Company 1 shall record in its books of accounts, all transactions relating to the SI Undertaking of Transferor Company, in respect of assets, liabilities, incomes and expenses, from the Appointed Date to the effective date.
- 3.2.6. It is hereby clarified that all transactions during the period between the Appointed Date to the Effective Date relating to the SI Undertaking would be duly reflected in the financial statements of Resulting Company 1 upon the Scheme coming into effect.

3.3. Treatment in the Books of Resulting Company 2

- 3.3.1. With effect from the Appointed Date and upon the Scheme becoming effective, Resulting Company 2 shall record all the assets and liabilities of the SSG Undertaking transferred to it in pursuance of this Scheme at their respective Book Value appearing in the books of account of the Transferor Company as on the Appointed Date. In determining the Book Value of the assets referred to herein above, any change in value of assets consequent to their revaluation shall be ignored in terms of Section 2(19AA) of the Income Tax Act, 1961.
- 3.3.2. With effect from the Appointed Date and upon the Scheme becoming effective, Resulting Company 2 shall record the securities premium, general reserve and surplus



in the statement of profit and loss vested in it pursuant to the Scheme at their respective Book Values in the same form in which they appeared in the books of account of the Transferor Company at the close of business on the day prior to the Appointed date.

3.3.3. Resulting Company 2 shall credit its share capital account with the aggregate face value of the new equity shares issued by it to the members of Transferor Company pursuant to Clause 1.1 of this Part (i.e. Part F) of the Scheme.

3.3.4. The difference between the Book Value of assets and book value of liabilities so recorded in the books of account of Resulting Company 2, as reduced by the aggregate sum of the paid-up value of the equity share capital issued by Resulting Company 2 in terms of Clause 1.1 of Part F above and after giving effect to Clause 4.2.b of Part F, if any, shall be credited to Capital Reserves of Resulting Company 2. The deficit, if any shall be debited to Goodwill.

3.3.5. Resulting Company 2 shall record in its books of Accounts, all transactions relating to the SSG Undertaking of Transferor Company, in respect of assets, liabilities, incomes and expenses, from the Appointed Date to the effective date.

3.3.6. It is hereby clarified that all transactions during the period between the Appointed Date to the Effective Date relating to the SSG Undertaking would be duly reflected in the financial statements of Resulting Company 2 upon the Scheme coming into effect.

4. REDUCTION OF SHARE CAPITAL OF RESULTING COMPANY 1, RESULTING COMPANY 2 AND TRANSFEROR COMPANY

4.1. REDUCTION OF SHARE CAPITAL OF RESULTING COMPANY 1

- a) With the issue and allotment of the new equity shares by Resulting Company 1 to the equity shareholders of the Transferor Company in accordance with Clauses 1.1 (Part F) above in the books of the Resulting Company 1, all the equity share capital existing prior to the date of issue and allotment of new equity shares in accordance with Clauses 1.1 above shall stand cancelled, extinguished and annulled on and from the Effective Date.
- b) The cancellation, as aforesaid, which amounts to reduction of share capital of Resulting Company 1, shall be effected as an integral part of itself in Accordance with the provisions of Section 66 of the Act and the order of the Tribunal sanctioning the Scheme shall be deemed to be also the order under Section 66 of the Act for the purpose of confirming the reduction. The reduction would not involve any diminution of liability in respect of unpaid share capital or payment of paid-up share capital.



4.2. REDUCTION OF SHARE CAPITAL OF RESULTING COMPANY 2

- a) With the issue and allotment of the new equity shares by Resulting Company 2 to the equity shareholders of the Transferor Company in accordance with Clauses 1.1 (Part F) above in the books of Resulting Company 2, all the equity share capital existing prior to the date of issue and allotment of new equity shares in accordance with Clauses 1.1 above shall stand cancelled, extinguished and annulled on and from the effective date.
- b) The cancellation, as aforesaid, which amounts to reduction of share capital of Resulting Company 2, shall be effected as an integral part of itself in Accordance with the provisions of Section 66 of the Act and the order of the Tribunal sanctioning the Scheme shall be deemed to be also the order under Section 66 of the Act for the purpose of confirming the reduction. The reduction would not involve either diminution of liability in respect of unpaid share capital or payment of paid-up share capital.

4.3. REDUCTION OF SHARE CAPITAL OF TRANSFEROR COMPANY

- a) The reduction under Clause 3.1 (Part F) of the Securities Premium Account and Equity Share Capital of Transferor Company shall be effected as an integral part of the Scheme in accordance with the provisions of Section 66 read with Section 52 of the Act and the order of the Tribunal, as the case may be, as applicable sanctioning the Scheme shall be deemed to be also the order under Section 66 of the Act for the purpose of confirming the reduction. The approval granted by the shareholders to the scheme shall be deemed to be the approval for the purpose of Section 66 read with Section 52 and other relevant provisions of the Act. Demerged Company, Resulting Company 1 and Resulting Company 2 shall not be obliged or required to call for a separate meeting of the shareholders/creditors to obtain their approval for sanctioning the reduction of Securities Premium Account and/or Equity Share Capital. The reduction does not involve either a diminution of liability in respect of unpaid share capital or payment of paid up share capital under the provisions of Section 66 read with Section 52 of the Act.



PART C

GENERAL TERMS AND CONDITIONS

1 SAVING OF CONCLUDED TRANSACTIONS

Transfer and vesting of the SI Undertaking and SSG Undertaking and continuance of the proceedings by or against Resulting Company 1 or Resulting Company 2, as the case may be, shall not in any manner affect any transaction or proceedings already completed by the Transferor Company (in respect of the SI Undertaking and SSG Undertaking) on or before the Appointed Date to the end and intent that Resulting Company 1, Resulting Company 2 and Transferor Company accept all such acts, deeds and things done and executed by and/or on behalf of the Transferor Company and, as acts, deeds and things done and executed by and on behalf of Resulting Company 1 or Resulting Company 2, as the case may be.

2 GENERAL TERMS AND CONDITIONS

2.1 The Transferor Company, Resulting Company 1 and Resulting Company 2 shall, make applications to the Honourable NCLT under Sections 230 and 232 and other applicable provisions of the Companies Act, 2013 seeking orders for dispensing with or convening, holding and conducting of the meetings of the classes of the respective members and/or creditors and for sanctioning this, with such modifications as may be approved by the NCLT.

2.2 Upon this being approved by the requisite majority of the respective members and creditors of Transferor Company, Resulting Company 1 and Resulting Company 2 (as may be directed by the Honourable NCLT), Transferor Company, Resulting Company 1 and Resulting Company 2 shall, apply to the Hon'ble NCLT, for sanction of this under Sections 230 and 232 and other applicable provisions of the Companies Act, 2013 and for such other order or orders, as Hon'ble NCLT may deem fit carrying this into effect.

2.3 On approval of this by the members and creditors of the Transferor Company, Resulting Company 1 and Resulting Company 2, for sanction of this under Sections 230 and 232 and other applicable provisions of the Companies Act, 2013, it shall be deemed that all consents required from the shareholders and/or creditors, as the case may be applicable, have been accorded to.

2.4 Upon this Scheme becoming effective, the respective shareholders of the Transferor Company, Resulting Company 1 and Resulting Company 2 shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the provisions contained in this Scheme.

2.5 The Transferor Company, Resulting Company 1 and Resulting Company 2 (acting through the Directors) may assent to any to any modifications or amendments to this, which the Hon'ble NCLT and/or any other authorities may deem fit to direct or impose on which may otherwise be considered necessary or desirable or for setting any question or doubt or difficulty that may arise for implementing and/or carrying out this. Transferor Company, Resulting Company 1 and Resulting Company 2 (acting through their respective boards of Directors or committees thereof) be and are hereby authorized to take such steps and do all acts, deeds, and things as



may be necessary, desirable, proper to give effect to this scheme and resolve any doubts, difficulties or questions whether by reason of the order of the Hon'ble NCLT or of any directive or orders of any authorities and otherwise howsoever arising out of, under or by virtue of this scheme and/or any matters concerning or connected there with.

2.6 The Transferor Company, Resulting Company 1 and Resulting Company 2, shall have the discretion to withdraw their applications and/or petitions from the Hon'ble NCLT, if any onerous terms or other terms not acceptable to them are introduced in the scheme whether in the meetings or at the time of sanction of the schemes. They shall also be at liberty to render the scheme ineffective by not filing the certified orders of sanction of the scheme with the registrar of the companies but they shall do so after intimating Hon'ble NCLT of their decision not to file.

3 SCHEME CONDITIONAL UPON:

This scheme is and shall be conditional upon and subject to:

- 3.1. The approval of the Scheme by the respective requisite majority of the shareholders and or creditors (where applicable) of the companies in accordance with Sections 230 to 232 read with Section 66 and Section 52 of the Act;
- 3.2. The scheme being sanctioned by the NCLT in terms of Sections 230 to 232 read with Section 66 read with Section 52 of the Act and other relevant provisions of the act and the requisite orders of the NCLT;
- 3.3. Such other approvals and sanctions including from government authorities or contracting party as may be required by the law or contract for this Scheme.
- 3.4. Certified copies of the orders of the NCLT sanctioning this scheme being filed with the ROC by Demerged Company, Resulting Company 1 and Resulting Company 2 as per the provisions of the act.

4 EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the approvals or conditions enumerated in this Scheme not being obtained or complied with or for any other reasons, this scheme cannot be implemented, then the Management of the Companies shall mutually waive such conditions as they may consider appropriate to give effect as far as possible, to this Scheme and failing such mutual agreement the Scheme shall become null and void and each party shall bear and pay their respective costs, charges and expenses in connection with this Scheme.

If any part of this Scheme is found to be unworkable or unviable for any reason whatsoever, the same shall not, subject to the decision of the Management of the companies affect the validity or implementations of the other parts and/or provisions of this Scheme.

5 COST, CHARGES AND EXPENSES:

The following shall be treated as the cost relating to this Scheme of Arrangement:



- (i) All past, present and future costs, charges, levies, duties and expenses, save and except stamp duty payable pursuant to transfer of SI Undertaking, if any, which shall be borne by Resulting Company 1, in relation to or in connection with or incidental to the Scheme or the implementation thereof and all of the above cost; and
- (ii) All past, present and future costs, charges, levies, duties and expenses, save and except stamp duty payable pursuant to transfer of SSG Undertaking, if any, which shall be borne by Resulting Company 2, in relation to or in connection with or incidental to the scheme or the implementation thereof and all of the above cost.

Certified True Copy

Date of Application 01.07.2019

Number of Pages 50

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Applicant called for collection copy on 24.07.2019

Copy prepared on 24.07.2019

Copy Issued on 24.07.2019

B.A. Patel

04.

Assistant Registrar

National Company Law Tribunal, Mumbai Bench



BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH
C.P.(CAA)/1419/MB/2019

IN

COMPANY SCHEME APPLICATION NO. 29 OF 2019.

In the matter of the Companies Act, 2013 (18 of 2013);
AND

In the matter of Sections 230 to 232 read with section 66
and 52 and other applicable provisions of the Companies
Act, 2013 and the Rules framed thereunder as in force
from time to time;

AND

In the matter of Scheme of Arrangement between
SOFTCELL TECHNOLOGIES LIMITED, the
Transferor Company or Demerged Company and
SOFTCELL TECHNOLOGIES GLOBAL PRIVATE
LIMITED, the Resulting Company 1 and LENTRA AI
PRIVATE LIMITED, the Resulting Company 2.

LENTRA AI PRIVATE LIMITED,

... Petitioner Company No.3.

CERTIFIED COPY OF THE MINUTES OF THE ORDER
DATED 27TH JUNE, 2019 ALONG WITH SCHEME OF
AMALGAMATION



M/S. RAJESH SHAH & CO
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