SCHEME OF AMALGAMATION AND MERGER

OF

ASM DIGITAL ENGINEERING PRIVATE LIMITED (FORMERLY KNOWN AS SEMCON INDIA PRIVATE LIMITED)

WITH

ASM TECHNOLOGIES LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS

(Under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013)

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GENERAL

I. PURPOSE OF SCHEME

ASM Technologies Limited is a publicly listed company in India. With over three decades of experience, ASM has been supporting customers in the areas of Engineering Services, Product R&D and Manufacturing Engineering. ASM has multiple delivery locations in India with a global presence in USA, Singapore, UK, Canada, Japan, Thailand, China and Mexico. ("**Transferee Business**"). This Scheme (defined herein) provides for the merger of the businesses of ASM Digital Engineering Private Limited (Formerly Known as Semcon India Private Limited) with ASM Technologies Limited by way of amalgamation pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013.

ASM Digital Engineering Private Limited (Formerly Known as Semcon India Private Limited) is a wholly owned subsidiary of ASM Technologies Limited and is an engineering and digital services company that develops products based on human needs and behaviors. It collaborate mainly with companies in the Automotive, Aerospace, Industry and Energy sectors following the most beneficial business model for your company.

ASM Digital provide engineering services to the entire product development cycle, from strategy and technology development to design and product information to our customers focusing on the quality of delivery. ("**Transferor Businesses**").

II. RATIONALE FOR THE SCHEME

The Board of Directors of ASM Technologies Limited and ASM Digital Engineering Private Limited (Formerly Known as Semcon India Private

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Limited) believe that the following benefits will accrue, pursuant to the amalgamation of the Transferor Company (defined herein) into the Transferee Company (defined herein):

1. The amalgamation will enable the Transferee Company to integrate its business operations and provide impetus to the operations of the Transferee Company. The consolidation of the activities by way of an amalgamation will provide seamless access to the assets (including intangible assets, licenses and intellectual properties) of the Transferor Company, which will lead to synergies of operations, reduction in overheads including administrative, managerial and other expenditure, operational rationalization, organizational efficiency and optimal utilization of resources.

2. The combined entity will have a bigger portfolio of services targeted at a wider array of customers, which will strengthen its competitive position in providing products and services to the customers. This will also enable the Transferee Company to address newer products and services to its customers and to the Transferor Company' customers and enhance its marketing capabilities.

3. Rationalizing multiple subsidiaries in the group to ensure optimised legal entity structure more aligned with the business by reducing the number of legal entities and reorganising the legal entities in the group structure.

4. Significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the Transferor Company and the Transferee Company.

5. Concentrated effort and focus by the management to grow the business by eliminating duplicative communication and burdensome coordination efforts across multiple entities and countries.

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6. The banks, creditors and financial institutions, if any, are not adversely affected by the proposed amalgamation as their security is maintained.

In view of the aforesaid, the Board of Directors (defined herein) of the Transferee Company and the Board of Directors of the Transferor Company have considered the Scheme, whereunder the entire Undertakings (defined herein) and business of the Transferor Company would be transferred and vested with and into the Transferee Company pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013.

III. PARTS OF THE SCHEME

The Scheme is divided into following parts:

(i) **Part A** – dealing with definition of the terms used in this Scheme and setting out the share capital of the Transferor Company and the Transferee Company;

(ii) **Part B** – dealing with the transfer and vesting of the Undertakings (defined herein) of the Transferor Company with and into the Transferee Company;

(iii) **Part C** – dealing with the consideration for the amalgamation and Increase in Authorized Capital of Transferee Company;

(iv) **Part D** – dealing with the accounting treatment in the books of the Transferee Company;

(v) **Part E** – dealing with the dissolution of the Transferor Company and the general terms and conditions applicable to this Scheme and other matters consequential and integrally connected thereto.

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PART A

DEFINITIONS AND SHARE CAPITAL

1. **DEFINITIONS**

In this Scheme, unless repugnant to the context, the following expressions shall have the following meaning:

1.1 "**Act**" means the Companies Act, 2013, and rules and regulations made thereunder and shall include any statutory modifications, re-enactment or amendment thereto from time to time.

1.2 "**Applicable Law(s)**" means any statute, notification, bye laws, rules, regulations, guidelines, rule or common law, policy, code, directives, ordinance, schemes, notices, orders or instructions law enacted or issued or sanctioned by any Appropriate Authority including any modification or re-enactment thereof for the time being in force.

1.3 "**Appointed Date**" means 1st April 2023 or such subsequent date (if any) as may be decided by the Board of Directors of the Transferor Company and the Transferee Company or such date as may be approved by the National Company Law Tribunal at Bengaluru or such other appropriate date as the Appropriate Authority may decide.

1.4 "**Board of Directors**" or "**Board**" means the Board of Directors of the Transferor Company or the Board of Directors of the Transferee Company or both, as the case may be, and shall include any duly constituted committee thereof.

1.5 "**Effective Date**" means the last of the dates on which the sanctions, approvals, consents, matters or filings referred to in Clause 16 of this Scheme is complied with or obtained or waived, as the case maybe. Reference in the

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Scheme to "upon the Scheme becoming effective" shall mean the Effective Date.

1.6 **"Government Authority"** or **"Appropriate Authority"** means the central government, any applicable State or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction.

1.7 **"Scheme"** or **"the Scheme"** or **"this Scheme"** means this Scheme of Amalgamation in its present form, submitted to the National Company Law Tribunal or any other Appropriate Authority in the Relevant Jurisdiction, or with any modification(s) made under Clause 18 of this Scheme, as approved or directed by the National Company Law Tribunal or any other Appropriate Authority.

1.8 **"ASM Technologies Limited "** or **"Transferee Company"** a Company incorporated under the Companies Act, 1956 having its registered office at 80/2, Lusanne Court, Richmond Road, Bangalore -560025.

1.9 **"Transferor Company"** means ASM Digital Engineering Private Limited (Formerly Known as Semcon India Private Limited) a company incorporated under the Companies Act, 1956 and having its registered office at RMZ NXT, Campus IB, IST Floor, Mahadevapura Unit 102, Sonnenahalli Village, K R Puram Hobl Bangalore- 560066

1.10 **"Tribunal"** means the National Company Law Tribunal.

1.11 **"Undertaking"** shall mean and the entire business and Undertaking of the Transferor Company, including all the debts, liabilities, losses, duties and

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obligations, including those arising on account of taxation laws and other allied laws, of the Transferor Company of every description and also including, without limitation, all the movable and immovable properties and assets (whether tangible or intangible) of the Transferor Company comprising, amongst others, all investments, receivables, actionable claims, furniture and fixtures, office equipment, telephones, telex, facsimile and other communication facilities and business licenses, permits, deposits, authorisations, approvals, lease, tenancy rights, permissions, incentives, if any, and all other rights, know-how, trade secret, patents, trademark, service mark, other intellectual property rights, registrations, title, interest, contracts including but not limited to contracts entered into with customers, vendors and service providers, consents, approvals and rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, benefits or agreements, contracts and arrangements, powers, authorities, permits, allotment, approvals, consents, privileges, liberties, advantages, easements and all the right title, interest goodwill, benefit and advantage, deposits, reserves, provisions, advance, receivables, deposits, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, tax credits (including but not limited to credits in respect of income tax, Good Service Tax (GST), Sales tax, value added tax, etc.), software license, intellectual property(ies), domain/websites, etc. in connection with/relating to the Transferor Company and other claims and powers, of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company, as on the Appointed Date.

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

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2. SHARE CAPITAL

2.1 ASM DIGITAL ENGINEERING PRIVATE LIMITED (FORMERLY KNOWN AS SEMCON INDIA PRIVATE LIMITED) (Transferor Company)

The share capital of ASM Digital Engineering Private Limited (Formerly Known as Semcon India Private Limited) as on September 30, 2022 was as follows:

Particulars	Amount (Rs.)
Authorised Share Capital 40,00,000 Equity Shares of Rs. 10/- each	4,00,00,000
Issued, Subscribed and Paid up Capital 39,99,971 Equity Shares of Rs. 10/- each (100% held by Transferee Company and its nominees)	3,99,99,710

Subsequent to September 30, 2022, there has been no change in the share capital of Transferor Company

2.2 ASM TECHNOLOGIES LIMITED (Transferee Company)

The share capital of ASM Technologies Limited as on September 30, 2022 was as follows:

Particulars	Amount (Rs.)
Authorised Share Capital 1,50,00,000 Equity Shares of Rs. 10/- each	15,00,00,000
Issued, Subscribed 1,10,00,000 Shares of Rs. 10/- each	11,00,00,000
Paid up Capital 1,00,00,000 shares if Rs. 10/- each (fully paid up) 10,00,000 shares of Rs. 10 each (partly paid up Rs. 3/- each)	10,30,00,000

The equity shares of the Transferee Company are listed on BSE Limited

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3. **DATE OF TAKING EFFECT AND OPERATIVE DATE**

The Scheme set-out herein in its present form or with any modification(s) approved or imposed or directed by the National Company Law Tribunal or any other Appropriate Authority shall take effect from the Appointed Date and shall be operative from the Effective Date.

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PART B

TRANSFER AND VESTING OF UNDERTAKING OF THE TRANSFEROR COMPANY INTO THE TRANSFEREE COMPANY

4. **TRANSFER AND VESTING OF UNDERTAKING**

4.1 Subject to the provisions of this Scheme as specified hereinafter and with effect from the Appointed Date, the entire business and Undertaking of the Transferor Company, including all the debts, liabilities, losses, duties and obligations, including those arising on account of taxation laws and other allied laws, of the Transferor Company of every description and also including, without limitation, all the movable and immovable properties and assets (whether tangible or intangible) of the Transferor Company comprising, amongst others, all investments, receivables, actionable claims, furniture and fixtures, office equipment, telephones, telex, facsimile and other communication facilities and business licenses, permits, deposits, authorisations, approvals, lease, tenancy rights, permissions, incentives, if any, and all other rights, know-how, trade secret, patents, trademark, service mark, other intellectual property rights, registrations, title, interest, contracts including but not limited to contracts entered into with customers, vendors and service providers, consents, approvals and rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, benefits or agreements, contracts and arrangements, powers, authorities, permits, allotment, approvals, consents, privileges, liberties, advantages, easements and all the right title, interest goodwill, benefit and advantage, deposits, reserves, provisions, advance, receivables, deposits, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, tax credits (including but not limited to credits in respect of income tax, Good Service Tax (GST), Sales tax, value added tax, etc.) software license, intellectual property(ies), domain/websites, etc. in connection with/relating to the Transferor

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Company and other claims and powers, of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company, shall, under the provisions of Sections 230 to 232 of the Act and pursuant to the order of the National Company Law Tribunal sanctioning this Scheme and without further act, instrument or deed, but subject to the charges affecting the same as on the Effective Date, be transferred and/or deemed to be transferred to and vested in the Transferee Company, so as to become the properties, assets, rights, business and Undertaking of the Transferee Company.

4.2 Without prejudice to the generality of Clause 4.1 above, in respect of the assets of the Transferor Company, including cash and bank balances, as are movable in nature or are otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery or otherwise, the same shall be so transferred by the Transferor Company to the Transferee Company, without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company as an integral part of the assets of the Transferee Company, with effect from the Appointed Date.

4.3 Without prejudice to the generality of Clause 4.1 above, with effect from the Appointed Date, all debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date whether provided for or not in the books of account of the Transferor Company and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or up to the day of the Appointed Date, shall be the debts, liabilities, duties and obligations of the Transferee Company including any encumbrance on the assets of the Transferor Company or on any income earned from those assets.

4.4 With effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes from the Appointed Date.

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4.5 Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and the Transferee Company shall, *ipso facto*, stand discharged and come to an end and there shall be no liability in that behalf on any party and appropriate effect shall be given in the books of accounts and records of the Transferee Company. It is hereby clarified that there will be no accrual of interest or other charges in respect of any inter-company loans, advances and other obligations with effect from the Appointed Date.

4.6 All existing securities, mortgages, charges, liens or other encumbrances, if any, as on the Appointed Date and created by the Transferor Company after the Appointed Date, over the properties and other assets comprised in the Undertaking transferred to the Transferee Company by virtue of this Scheme and in so far as such securities, mortgages, charges, liens or other encumbrances secure or relate to liabilities of the Transferor Company, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company, and such securities, mortgages, charges, liens or encumbrances shall not relate or attach to any other assets of the Transferee Company, provided however that no encumbrances shall have been created by the Transferor Company over its assets after the date of filing of the Scheme, without the prior written consent of the Board of Directors of the Transferee Company, except for those done in the normal course of business.

4.7 All existing encumbrances over the properties and other assets of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or

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attach to any of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of this Scheme.

4.8 It is expressly provided that, save as herein provided, no other term or condition of the liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.

4.9 With effect from the Appointed Date, all statutory licences, permissions, approvals or consents to carry on the operations of the Transferor Company shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company upon the vesting and transfer of the undertaking of the Transferor Company pursuant to this Scheme. The benefit of all statutory and regulatory permissions, licenses, environmental approvals and consents or other licenses and consents shall vest in and become available to the Transferee Company pursuant to this Scheme.

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

5. **STAFF, EMPLOYEES & DIRECTORS**

On the Scheme becoming effective, all staff and employees of the Transferor Company (if any) in service on the Effective Date shall be deemed to have become staff and employees of the Transferee Company with effect from the Appointed Date or the date of joining whichever is later, without any break or interruption in their service and on the basis of continuity of service for the purpose of provident fund or gratuity or otherwise, and the terms and

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conditions of their employment with the Transferee Company (i.e. cost-to-company basis, in monetary terms) shall not be less favourable than those applicable to them with reference to their employment with the Transferor Company on the Effective Date.

It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, superannuation fund or any other special fund or trusts, if any, created or existing for the benefit of the staff, workmen and employees of Transferor Company shall become trusts / funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of Transferor Company in relation to such fund or funds shall become those of the Transferee Company. It is clarified that, for the purpose of the said Fund or Funds, the services of the staff, workmen and employees of the Transferor Company will be treated as having been continuous with the Transferee Company from the date of employment as reflected in the records of Transferor Company.

On the Scheme becoming effective, the directors of the Transferor Company shall not be entitled to any directorship in the Transferee Company by virtue of the provisions of this Scheme.

6. **LEGAL PROCEEDINGS**

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If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company are pending, including those arising on account of taxation laws and other allied laws, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the arrangement by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company, as if this Scheme had not been made.

In case of any litigations, suits, recovery proceedings which are to be initiated or may be initiated against the Transferor Company after the Appointed Date, the Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of the Transferee Company. The Transferee Company undertakes to continue to abide by the agreement/settlement if any entered into by the Transferor Company with any of its employees, which is in force as on the Effective Date.

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7. **CONTRACTS, DEEDS, ETC., AND POWER TO GIVE EFFECT TO THIS PART**

7.1 Subject to the other provisions of this Scheme, all contracts, deeds, agreements, licences, permits, registrations, approvals and other instruments, if any, of whatsoever nature to which the Transferor Company is a party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto, notwithstanding the terms contained in such contracts, deeds, bonds, agreements, licences, permits, registrations, approvals and other instruments.

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

8. **TREATMENT OF TAXES PAID BY THE TRANSFEROR COMPANY**

All taxes, levies, cess, etc. (whether direct or indirect) that might have been paid by the Transferor Company (whether before or after the Appointed Date) during the period when the merger has not become effective for any tax liability that arises after the Appointed Date shall be deemed to be tax paid by the Transferee Company and credit in respect thereof shall be given to the Transferee Company accordingly.

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9. **TREATMENT OF SCHEME FOR THE PURPOSES OF INCOME TAX ACT, 1961**

9.1 This Scheme has been drawn up to comply and come within the definition and conditions relating to "Amalgamation" as specified under Section 2(1B), Section 47 and such other provisions, as may be applicable, of the Income Tax Act, 1961.

9.2 If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section of the Income Tax Act, 1961, at a later date, including resulting from an amendment of any Applicable Law(s) or for any other reason whatsoever, the Scheme shall stand modified/amended to the extent determined necessary to comply and come within the definition and conditions relating to "Amalgamation" as specified in the Income Tax Act, 1961. In such an event, the clauses which are inconsistent shall be read down or if the need arises be deemed to be deleted and such modification/reading down or deemed deletion shall however not affect the other parts of the Scheme.

9.3 Any refund under the tax laws received by or due to the Transferor Company consequent any assessments made on the Transferor Company subsequent to the Appointed Date pertaining to the business transferred 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 the Transferee Company.

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PART C

CONSIDERATION FOR AMALGAMATION AND INCREASE IN AUTHORIZED CAPITAL OF TRANSFEREE COMPANY

10. CONSIDERATION FOR AMALGAMATION

The Transferor Company is a wholly owned subsidiary of the Transferee Company. The entire share capital of the Transferor Company is held by the Transferee Company. Hence, upon the Scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of the shares of the Transferor Company. Upon the Scheme becoming effective, the entire share capital of the Transferor Company shall be cancelled and extinguished. The investments in the shares of the Transferor Company, appearing in the books of account of Transferee Company shall, without any further act or deed, stand cancelled. The Transferee Company will carry on the businesses of the Transferor Company along with business of the Transferee with reasonable diligence and business prudence to ensure that the interests of the stakeholders of the businesses of the Transferor Company are protected and enhanced.

11. INCREASE IN AUTHORIZED CAPITAL OF TRANSFEREE COMPANY

Upon the Scheme becoming effective, the authorized share capital of the Transferor Company shall stand combined with and be deemed to be added

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to the authorized share capital of the Transferee Company. Filing fees and stamp duty, if any, paid by Transferor Company on its authorized share capital, as applicable, shall be deemed to have been so paid by the Transferee Company on the combined authorized share capital and accordingly, the Transferee Company shall not be required to pay any fee/stamp duty for its increased authorized share capital.

Consequently, existing clause 5 of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 61 to 64 and other applicable provisions of the Companies Act, 2013 by substituting the existing Clause with the following:

"The Authorised Share Capital of the Company is Rs. 19,00,00,000 /- (Rupees Nineteen Crore) divided into 1,90,00,000 /- (One Crore and Ninety Lakh) equity shares of Rs. 10 /- (Rupees 10) each."

The approval of the Scheme by the shareholders of the Transferee Company under Sections 230 to 232 of the Act, shall be deemed to have the approval under Section 13, 61 and other applicable provisions of the Act and any other consents and approvals also required in this regard.

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PART D

ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY

12. A. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY

12.1 Amalgamation of the Transferor Company with the Transferee Company shall be accounted in the books of the Transferee Company for by way of as per "Pooling of Interests Method" under Appendix C of Ind-AS 103 (Accounting for Business Combinations) and any other relevant Indian Accounting Standard prescribed under Section 133 of the Companies Act, 2013.

12.2 All the assets and liabilities of Transferor Company shall be recorded in the financial statements of the Transferee Company at the carrying value as appearing in the financial statements of the Transferor Company in accordance with Para 9 of Appendix C of Ind AS 103.

12.3 The identity of the reserves pertaining to the Transferor Companies, shall be preserved and shall appear in the merged fina .cial statements of Transferee Company in the same form in which they appeared in the financial statements of the Transferor Company and it shall be aggregated with the corresponding balance appearing in the financial statements of Transferee Company, in accordance with Appendix C of Ind AS 103.

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12.4 The investments in shares of the Transferor Company, as appearing, inter alia, in the books of the Transferee Company shall stand cancelled.

12.5 To the extent that there are inter-company loans, deposits, obligations, balances or other outstanding including any interest thereon, as between the Transferor Company and the Transferee Company as the case may be, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of the Transferee Company for the reduction of such assets or liabilities as the case may be.

12.6 Comparative accounting period presented in the financial statements of the Transferee Company shall be restated for the accounting impact of the merger, as if the merger had occurred from the date of share transfer which represents the date from which the Transferor Company and the Transferee Company are under common control, in the financial statements in accordance with Appendix C of the Indian Accounting Standard, Ind AS 103, 'Business Combinations'

12.7 In case of any differences in accounting policy between Transferor Company and Transferee Company the accounting policies followed by Transferee will prevail and the difference shall be adjusted in Retained Earnings of Transferee Company, to ensure that the financial statements of Transferee Company reflect the financial position on the basis of consistent accounting policy.

B. REDUCTION OF SECURITIES PREMIUM ACCOUNT

12.8 Immediately upon the Scheme becoming effective and with effect from the Appointed Date:

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12.8.1 The debit balance in the capital reserve, if any, arising pursuant to the amalgamation of the Transferor Company with the Transferee Company on the Appointed Date, pursuant to accounting treatment as contemplated under clause 12 A, herein above, shall be set-off against the resulting Securities Premium Account (as adjusted after recording of balance in Securities Premium account of the Transferor Company pursuant to accounting treatment as referred to in Clause 12 A above).

12.8.2 The reduction of the debit balance in the capital reserve against the amounts held in the Securities Premium Account as set out in ***this Clause 12B herein above does not involve the reduction of the issued, subscribed and paid-up share capital of the Transferee Company. Further, the reduction does not envisage the transfer or vesting of any of the properties and/or liabilities of the Transferee Company to any person.***

12.8.3 The reduction in the Securities Premium Account (as an integral part of the Scheme) in accordance with this Clause 12 B is in accordance with the provisions of Section 230 to 232 read with Section 52 of the Act, ***as the same does not result in the extinguishment or diminution of any liability in respect of the unpaid share capital of the Transferee Company or payment to any shareholder of any paid-up share capital of the Transferee Company*** and the order of the NCLT sanctioning the Scheme shall be deemed to be an order under Section 230 of the Act confirming such reduction of share capital of the Transferee Company. The reduction in the Securities Premium Account in the manner contemplated in this Scheme would not have any impact on the shareholding pattern of the Transferee Company nor would it have any adverse impact on the creditors or employees of the Transferee Company. The order of the NCLT sanctioning this Scheme shall also be deemed to be an order passed under Sections 66, 52 and other applicable provisions of the Act for the purpose of confirming the reduction.

12.8.4 Notwithstanding the reduction in the Securities Premium Account, the Transferee Company shall not be required to add 'And Reduced' as a suffix

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to its name. The reduction in the Securities Premium Account shall be effected as an integral part of the Scheme and in accordance with the applicable provisions of the Act without any further act or deed on the part of the Transferee Company.

PART E

DISSOLUTION OF THE TRANSFEROR COMPANY AND THE GENERAL TERMS AND CONDITIONS APPLICABLE TO THIS SCHEME AND OTHER MATTERS CONSEQUENTIAL AND INTEGRALLY CONNECTED THERETO

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13. **TRANSACTIONS BETWEEN THE APPOINTED DATE AND THE EFFECTIVE DATE (IF APPLICABLE)**

During the period from the Appointed Date to the Effective Date:

13.1 The Transferor Company shall carry on and be deemed to have carried on their business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of its business and Undertaking for and on account of and in trust for the Transferee Company;

13.2 The Transferor Company shall carry on their business and activities in the ordinary course of business with reasonable diligence and business prudence;

13.3 All the profits or income accruing or arising to the Transferor Company or expenditure or losses incurred or arising to the Transferor Company, shall for all purposes be treated and deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of the Transferee Company; and

13.4 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Government Authorities concerned, as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferor Company.

13.5 The Transferor Company shall carry on their business, operations or activities with reasonable diligence and business prudence and in the same manner as they had been doing hitherto and shall not venture into/expand any new businesses, alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business, without the prior consent of the Transferee Company.

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13.6 The Transferee Company and the Transferor Company shall also be entitled to make an application for amending, cancelling or obtaining fresh registrations, as the case may be, under all applicable laws and legislations. The Transferee Company and the Transferor Company would be entitled to make an application for amending licenses/ authorisations.

14. **SAVING OF CONCLUDED TRANSACTIONS**

Subject to the terms of this Scheme, the transfer and vesting of the Undertaking of the Transferor Company under Clause 4 of this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or concluded between the Appointed Date and the Effective Date (both days inclusive), to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

15. **DISSOLUTION OF THE TRANSFEROR COMPANY**

On the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound up and without any further act or deed on the part of the Transferor Company.

16. **CONDITIONALITY OF THE SCHEME**

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

(i) The requisite consent, approval or permission of any Appropriate Authority(ies) which by law may be necessary for the implementation of this Scheme;

(ii) The approval by the requisite majority of the shareholders and/or creditors (as may be required and/or to the extent not dispensed with by the

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Appropriate Authority(ies)) of the Transferor Company and the Transferee Company, as required under Applicable Law(s).

(iii) Approval by the National Company Law Tribunal.

(iv) The certified copy of the order of the National Company Law Tribunal sanctioning the Scheme being filed with the Registrar of Companies by the Transferee Company and the Transferor Company.

(v) Compliance by the Transferor Company and Transferee Company of all the necessary and applicable provisions of its Applicable Law.

(vi) Compliance with such other conditions as may be imposed by the Hon'ble National Company Law Tribunal or other Government Authority.

17. **APPLICATION TO THE NATIONAL COMPANY LAW TRIBUNAL**

The Transferee Company and the Transferor Company shall, with all reasonable despatch, make and file applications/petitions jointly under Section 230 to 232 and other applicable provisions of the Act to the National Company Law Tribunal, within whose jurisdiction the registered office of the Transferee Company is situated, for sanctioning the Scheme.

18. **MODIFICATION OR AMENDMENTS TO THE SCHEME**

The Transferee Company and the Transferor Company by their respective Board of Directors, or any person(s) or committee authorised/appointed by them, may carry out or assent to any modifications/amendments to the Scheme or to any conditions or limitations that the National Company Law Tribunal and/or the Reserve Bank of India and/or Securities and Exchange Board of India or any other Government Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or

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appropriate by them (i.e., the Board of Directors or the person(s)/ committee). The Transferee Company and the Transferor Company by their respective Board of Directors or any person(s) or committee authorised or appointed by them, shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any Government Authority or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith. The Transferee Company and the Transferor Company shall be at liberty to withdraw from this Scheme, in case of any condition or alteration imposed by the National Company Law Tribunal or any other authority. In case of any provisions that is inconsistent with the Reserve Bank of India Regulations, the scheme shall stand amended to that extent.

19. **EFFECT OF NON-RECEIPT OF APPROVALS**

In the event any of the approvals or conditions enumerated in the Scheme not being obtained or complied with, or for any other reason, the Scheme cannot be implemented, the Board of Directors of the Transferee Company and the Transferor Company shall by mutual agreement waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, or in case the Scheme is not sanctioned by the National Company Law Tribunal, the Scheme shall become null and void and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

20. **COSTS, CHARGES AND EXPENSES**

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Company and the Transferee Company arising out of or incurred in connection with and

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implementing this Scheme and matters incidental thereto shall be borne by the Transferee Company.

21. **MISCELLANEOUS**

In case any doubt or difference or issue shall arise among the Transferor Company and the Transferee Company or any of their shareholders, creditors, employees and/or persons entitled to or claiming any right to any shares in the Transferor Company or the Transferee Company, as to the construction of this Scheme or as to any account, valuation or apportionment to be taken or made in connection herewith or as to any other aspects contained in or relating to or arising out of this Scheme, the same shall be amicably settled between the Board of Directors of the Transferor Company and the Transferee Company and the decision arrived at therein shall be final and binding on all concerned. If any part of this Scheme hereof is invalid, ruled illegal by any National Company Law Tribunal of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Transferor Company and the Transferee Company that such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party to the Scheme, in which case the parties to the Scheme shall attempt to bring about a modification in the Scheme, as will best preserve for the parties to the Scheme, the benefits and obligations of the Scheme.

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