SCHEME OF ARRANGEMENT

AMONGST

SCRABBLE DIGITAL LIMITED

("the Transferor Company 1" or "SDL")

AND

UFO SOFTWARE TECHNOLOGIES PRIVATE LIMITED

("the Transferor Company 2" or "USTPL")

AND

UFO MOVIEZ INDIA LIMITED

("the Transferee Company" or "UFO")

AND

THEIR RESPECTIVE SHAREHOLDERS

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

(A) PREAMBLE

This Scheme is presented pursuant to the provisions of Sections 230 to 232 read with section 66 and Section 52 and other relevant provisions of the Companies Act, 2013, and Rules made thereunder, as may be applicable, and also read with Section 2(1B) and other relevant provisions of the Income Tax Act, 1961 as applicable for amalgamation of Scrabble Digital Limited ("SDL" or "Transferor Company 1") and UFO Software Technologies Private Limited ("USTPL" or "Transferor Company 2") and (together known as "Transferor Companies" with UFO Moviez India Limited ("UFO" or "Transferee Company") and their respective shareholders, followed by reduction of securities premium of UFO and various other matters consequential, incidental, supplementary or otherwise integrally connected therewith.

KAVITA BHAVESH THADESHWAR Digitally signed by KAVITA BHAVESH THADESHWAR Date: 2024.06.05 20:00:59 +05'30'

(B) DESCRIPTION OF COMPANIES

1. SDL is a company incorporated under the provisions of Companies Act, 1956 having its registered office at Valuable Techno Park, 3rd Floor, Plot No. 53/1, Road No. 7, MIDC, Andheri (East), Mumbai – 400093. SDL is engaged in the business of providing Digital Cinema Services. SDL is a wholly owned subsidiary of the Transferee Company.

2. USTPL is a company incorporated under the provisions of Companies Act, 1956 having its registered office at Office No. 902, 9th Floor, Ackruti Star, Central Road, MIDC, Andheri (East), Mumbai-400093. USTPL is engaged in providing software solutions and development. USTPL is a wholly owned subsidiary of the Transferee Company.

3. UFO is a listed public company whose equity shares are listed on BSE Limited and National Stock Exchange of India Limited. UFO was incorporated and registered under the provisions of the Companies Act, 1956, having its registered office at Valuable Techno Park, Plot No. 53/1, Road No. 7, MIDC, Marol, Andheri (East), Mumbai – 400093. UFO is India's largest in-cinema advertising platform and is the first one, to enable cinema digitization with satellite technology in India. It is the end-to-end service provider for all DCI and non-DCI related cinema solutions.

(C) RATIONALE

The Proposed Scheme would inter alia have the following benefits:

Amalgamation of Transferor Companies into Transferee Company

a. The Transferor Companies are wholly owned subsidiaries of the Transferee Company.

b. The proposed amalgamation of Transferor Company 1 will assist the Transferee Company to serve existing customer with all products and services within digital cinema industry's needs, giving customers a one-stop shopping experience with credible services.

c. Transferor Company 2 is not of the significant size and therefore consolidation will result into decrease in the administration cost associated with day-to-day operations.

d. The amalgamation of the Transferor Companies with the Transferee Company will lead to better business synergies, improved overall operational efficiencies and cost savings.

e. The amalgamation will also result in reduction in legal and regulatory compliances that are currently carried out by multiple entities.

f. The proposed amalgamation will reduce managerial overlaps, which are necessarily involved in running multiple entities.

Utilisation of Securities Premium Account

g. Due to COVID 19 pandemic, the Transferee Company has incurred losses from FY 2020-21 to FY 2022-23. As per audited financial results as on March 31, 2024, the Transferee Company had (i) Profit and Loss Account (debit balance) of about INR 130.82 crores (Indian Rupees One Hundred and Thirty Crores and Eighty Two Lakhs only); (ii) Securities Premium Account of about INR 388.57 crores (Indian Rupees Three Hundred and Eighty Eight Crores and Fifty Seven Lakhs only); (iii) Amalgamation Deficit Reserve Account (debit balance) of about INR 67.46 crores (Indian Rupees Sixty Seven Crores and Forty Six Lakhs only). All these balances are part of "Other Equity".

h. The Transferee Company believes that utilization of the Securities Premium Account to set off the debit balances in (i) Profit and Loss Account and (ii) Amalgamation Deficit Reserve Account would result in a true and fair reflection of the "Other Equity" in the balance sheet.

i. The right-sizing of the balance sheet is also likely to facilitate the efforts of the Transferee Company while raising funds in future.

j. The proposed adjustment / set off, of the Securities Premium Account would not have any impact on the shareholding pattern, and the capital structure of the Transferee Company.

k. The Scheme does not involve any financial outlay / outgo and therefore, would not affect the ability or liquidity of the Transferee Company to meet its obligations/ commitments in the normal course of business. Further, this Scheme would also not in any way adversely affect the ordinary operations of the Transferee Company.

(D) OVERVIEW OF THIS SCHEME:

This Scheme is divided into the following parts:

- **PART I** - Definitions and Share Capital;
- **PART II –** Amalgamation of the Transferor Companies with the Transferee Company;
- **PART III –** Reduction of securities premium account of Transferee Company; and
- **PART IV –** General Terms and Conditions.

PART I

DEFINITIONS AND SHARE CAPITAL

1 DEFINITIONS

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

1.1 **"Act" or "the Act"** means the Companies Act, 2013 and any rules, regulations, circulars or guidelines issued thereunder and shall, if the context so requires and as may be applicable, mean Companies Act, 1956 and any rules, regulations, circulars or guidelines issued thereunder, as amended from time to time and shall include any statutory amendment(s), modification(s) or re-enactment(s) thereof;

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

1.3 **"Appointed Date"** means April 1, 2024, or any other date as may be approved by the Appropriate Authority;

1.4 **"Appropriate Authority"** means any applicable central, state or local government, legislative body, regulatory, administrative or statutory authority, or judicial body or authority, including, but not limited, to Securities and Exchange Board of India (SEBI),

Stock Exchanges, Registrar of Companies, Regional Director and National Company Law Tribunal (NCLT);

1.5 **"Board"** or **"Board of Directors"** means the Board of Directors of USTPL, SDL and / or UFO, as the context may require and include any Committee of the Board (if any) constituted for the implementation of this Scheme;

1.6 **"Effective Date"** means the last of the dates on which the conditions specified in Clause 19 of the Scheme are fulfilled with respect to a particular part of the Scheme;

References in this Scheme to the words **"coming into effect of this Scheme"** or **"effectiveness of this Scheme"** shall mean the Effective Date;

1.7 **"NCLT"** means the National Company Law Tribunal as constituted and authorized as per the provisions of the Act;

1.8 **"Scheme"** or **"the Scheme"** or **"this Scheme"** means this Scheme of Arrangement in its present form submitted to the NCLT or any Appropriate Authority for its sanction with or without any modification(s) / amendment(s) as may be directed by the NCLT or any Appropriate Authority;

1.9 **"Transferee Company" or "UFO"** means UFO Moviez India Limited, a public company limited by shares incorporated under the provisions Indian Companies Act, 1956 and validly existing under Companies Act, 2013, under Corporate Identity No. L22120MH2004PLC285453 and having its Registered Office at Valuable Techno Park, Plot No. 53/1, Road No.7, MIDC, Marol, Andheri (East), Mumbai – 400093;

1.10 **"Transferor Company 1" or "SDL"** means Scrabble Digital Limited**,** a company, limited by shares, incorporated under the provisions of the Companies Act, 1956 and validly existing under Companies Act, 2013, under Corporate Identity No. U74999MH2011PLC213170 and having its Registered Office at Valuable Techno Park, 3rd Floor, Plot No. 53/1, Road No. 7, MIDC, Andheri (East), Mumbai – 400093;

1.11 **"Transferor Company 2" or "USTPL"** means UFO Software Technologies Private Limited**,** a company, limited by shares, incorporated under the provisions of the Companies Act, 1956 and validly existing under Companies Act, 2013, under Corporate Identity No. U59121MH2005PTC284653 and having its Registered Office at Office No. 902, 9th Floor, Ackruti Star, Central Road, MIDC, Andheri (East), Mumbai – 400093;

1.12 **"Transferor Companies"** means Transferor Company 1 and Transferor Company 2 collectively.

2 INTERPRETATION

2.1 In addition to the above terms, certain terms may be defined elsewhere in this Scheme and wherever such terms are used in this Scheme, they shall have the meaning so assigned to them.

2.2 The terms referred to in this Scheme shall, unless defined otherwise in this Scheme or inconsistent with the context or meaning thereof, bear the meaning ascribed to them under the relevant statute/legislation.

2.3 All references in this Scheme to statutory provisions shall be construed as meaning and including references to:

a) any statutory modification, consolidation or re-enactment made after the date of approval of this Scheme by the Boards of USTPL, SDL and UFO and for the time being in force;

b) all subordinate legislation made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated);

c) all statutory instruments or orders made pursuant to a statutory provision; and

d) any statutory provisions of which these statutory provisions are a consolidation, re-enactment or modification.

In this Scheme, unless the context otherwise requires:

(i) the words "including", "include" or "includes" shall be interpreted in a manner as though the words "without limitation" immediately followed the same;

(ii) any document or agreement includes a reference to that document or agreement as

varied, amended, supplemented, substituted, novated or assigned, from time to time, in accordance with the provisions of such a document or agreement;

(iii) the words "other", "or otherwise" and "whatsoever" shall not be construed *ejusdem generis* or be construed as any limitation upon the generality of any preceding words or matters specifically referred to;

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

(v) the term "Clause" or "Sub-Clause" refers to the specified clause of this Scheme, as the case may be;

(vi) reference to any legislation, statute, regulation, rule, notification or any other provision of law means and includes references to such legal provisions as amended, supplemented or re-enacted from time to time, and any reference to legislation or statute includes any subordinate legislation made from time to time under such a legislation or statute and regulations, rules, notifications or circulars issued under such a legislation or statute;

(vii) Words in the singular shall include the plural and *vice versa*.

3 SHARE CAPITAL

3.1 The authorized, issued, subscribed and paid-up share capital of SDL as on date of Board approval to the Scheme i.e. June 03, 2024 is as under***:***

Particulars	**Amount in INR**
Authorized	
7,50,000 equity shares of Rs. 10/- each	75,00,000
Total	**75,00,000**
Issued, Subscribed and Paid-up	
5,93,142 equity shares of Rs. 10/- each fully paid up	59,31,420
Total	**59,31,420**

The entire issued, subscribed and paid-up share capital of SDL is held by UFO.

3.2 The authorized, issued, subscribed and paid-up share capital of USTPL as on date of Board approval to the Scheme i.e. June 03, 2024 is as under:

Particulars	**Amount in INR**
Authorized	
2,50,000 equity shares of Rs. 10/- each	25,00,000
Total	**25,00,000**
Issued, Subscribed and Paid-up	
2,48,219 equity shares of Rs. 10/- each fully paid up	24,82,190
Total	**24,82,190**

The entire issued, subscribed and paid-up share capital of USTPL is held by UFO.

3.3 The authorized, issued, subscribed and paid-up share capital of UFO as on date of Board approval to the Scheme i.e. June 03, 2024 is as under:

Particulars	**Amount in INR**
Authorized	
7,39,14,500 equity shares of Rs. 10/- each	73,91,45,000
15,65,000 preference shares of Rs. 1,000/- each	1,56,50,00,000
Total	**2,30,41,45,000**
Issued, Subscribed and Paid-up	
3,85,81,208 equity shares of Rs. 10/- each fully paid up	38,58,12,080
Total	**38,58,12,080**

4 DATE OF TAKING EFFECT AND OPERATIVE DATE

Each section of the Scheme set out herein in its present form or with any modification (s) shall, unless otherwise specified, be effective from the Appointed Date but operative from the Effective Date.

PART II

AMALGAMATION OF THE TRANSFEROR COMPANIES WITH THE TRANSFEREE COMPANY

5 AMALGAMATION OF THE TRANSFEROR COMPANIES WITH THE TRANSFEREE COMPANY

5.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, the the entire business and whole of the undertaking(s) of the Transferor Companies (including all its properties and assets (whether movable or immovable, tangible or intangible) of whatsoever nature including investments, licenses, permits, quotas, approvals, lease, tenancy rights, permissions, incentives, development of rights, if any, and all other rights, title, interest, contracts, consents, approvals or powers of every kind, nature and descriptions whatsoever) and all nature of liabilities shall, under the provisions of Sections 230 to 232 and pursuant to the orders of the Tribunal or any other competent authority or any other appropriate authority under the applicable provisions of the Act, as may be applicable, and without further act, instrument or deed, be and stand transferred to and / or vested in or be deemed to have been and stand transferred to or vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the Undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.

5.2 The amalgamation of the Transferor Companies with the Transferee Company will combine the business, activities and operations of the Transferor Companies and the Transferee Company into a single company with effect from the Appointed Date and shall be in compliance with the provisions of the Income Tax Act, 1961, including Section 2(1B) thereof or any amendment(s) thereto. If any term of provision of this Scheme is found or interpreted to be inconsistent with the said provisions at a current date or later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said sections of the Income-tax Act, 1961 shall prevail and this Scheme shall stand modified to the extent determined necessary to comply with section 2(1B) of the Income-tax, 1961. Such modification will however not affect the other parts of the Scheme.

5.3 Without prejudice to the generality of Clause 5.1 above, upon the coming into effect of this

Scheme and with effect from the Appointed Date:

a. In respect of such assets owned and belonging to the Transferor Companies as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Companies and shall become the property of the Transferee Company in pursuance of the provisions of Sections 230 to 232 and other applicable provisions of the Act.

b. In respect of movables other than those dealt with in Clause 5.3 (a) above including without any further act, instrument or deed of the Transferor Companies, the sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositee, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company).

5.4 Without prejudice to the generality of Clause 5.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:

a. All the liabilities including all secured and unsecured debts, liabilities including contingent liabilities, leases, sundry creditors, duties, obligations and undertakings of the Transferor Companies of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations shall, under the provisions of Sections 230 to 232 and pursuant to the orders of the Tribunal or any other competent authority or any other appropriate authority under the applicable provisions of the Act, as may be applicable, and without further act, instrument or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company without any further act, instrument or deed, along with any charge, lien, encumbrance or security thereon, and the same shall be assumed to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date, the

debts, liabilities, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain consent of any third party or other person who is a party to the contract or arrangements by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Scheme. Provided that, any reference in the security documents or arrangements entered into by the Transferor Companies and under which, the assets of the Transferor Companies stand offered as a security, for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to that Undertaking of the Transferor Companies only as are vested in the Transferee Company by virtue of the Scheme.

5.5 Transferor Companies may be entitled to various benefits under incentive schemes and policies under various laws, regulations and notifications. Pursuant to this Scheme it is declared that the benefits under all of such schemes and policies shall be transferred to and vest in the Transferee Company and all benefits, entitlements and incentives of any nature whatsoever including tax concessions (not limited to income tax, tax deducted at source, tax holiday, special economic zone related benefits, tax losses, fringe benefit tax, sales tax, value added tax, turnover tax, excise duty, service tax, customs, goods and service tax, Minimum Alternate Tax Credit entitlement ("MAT Credit") whether recognized or not, unutilized deposits or credits, benefits under the VAT/Sales Tax Law, VAT/Sales Tax set off, benefits of any unutilized MODVAT/CENVAT/Service Tax credits, input credit balances (including SGST, CGST and IGST credits) under the Goods and Service Tax laws etc. and others) and incentives shall be claimed by the Transferee Company and these shall relate back to the Appointed Date as if the Transferee Company was originally entitled to all benefits under such incentive scheme and policies, subject to continued compliance by the Transferee Company of all the terms and conditions subject to which the benefits under the incentive schemes and policies were made available to the Transferor Companies. Further, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Companies or in connection with or relating to the Transferor Companies and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or

vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Companies whether in India or abroad shall stand transferred and vested with the Transferee Company.

5.6 Upon the coming into effect of this Scheme, all agreements, rights, contracts (including customer contracts), entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quota rights, engagements, arrangements, authorities, allotments, security arrangements (to the extent provided herein), the benefit of all brands, copyrights, trademarks, statutory and regulatory permissions, environmental approvals and consents, goods and service tax registrations, or other licenses and consents, benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Transferor Companies shall stand transferred and vested with the Transferee Company.

5.7 Upon the coming into effect of this Scheme, all intellectual property rights, records, files, papers, computer programs, manuals, data, catalogues, sales material, lists of customers and suppliers, other customer information and all other records and documents relating to the Transferor Companies shall stand transferred and vested with the Transferee Company.

5.8 Upon the coming into effect of this Scheme, amounts claimed by the Transferor Companies whether or not so recorded in the books of account of the Transferor Companies from any Governmental Authority, under any law, act or rule in force, as refund of any security deposits, tax, duty, cess or of any excess payment shall stand transferred and vested with the Transferee Company.

5.9 Upon the coming into effect of this Scheme, the right to any claim not preferred or made by the Transferor Companies in respect of any refund of tax, duty, cess, security deposit or other charge, including any erroneous or excess payment thereof made by the Transferor Companies and any interest thereon, with regard to any law, act or rule or scheme made by the Governmental Authority, and in respect of set-off, carry forward of un-absorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. under the Income-tax Act, 1961, or any other or like benefits under the said

acts or under and in accordance with any law or act, shall stand transferred and vested with the Transferee Company.

6 CONSIDERATION

6.1 The entire issued, subscribed and paid-up equity share capital of the Transferor Companies is held by the Transferee Company and its nominee(s). Upon the Scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of the holding of equity in the Transferor Companies and the entire share capital of the Transferor Companies shall stand cancelled.

7 ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY

7.1 Upon the Scheme coming into effect and with effect from Appointed Date, since the Scheme involves entities which are under common control before and after the Amalgamation, the Transferee Company shall account for in its books of account in accordance with "Pooling of interest method" laid down by Appendix C of Ind AS 103 (Business Combination under common control) notified under the provisions of the Act.

7.2 All the assets and liabilities recorded in the books of the Transferor Companies shall be transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at the respective book values as appearing in the books of the Transferor Companies.

7.3 Inter-company balances /investment, if any, will stand cancelled.

7.4 All the reserves of the Transferor Companies under different heads shall become the corresponding reserves of the Transferee Company.

7.5 The difference, if any, between the carrying value of investment in the equity shares of the Transferor Companies in the books of the Transferee Company and the amount of equity share capital of the Transferor Companies, being deficit, arising pursuant to the Scheme shall be accounted as amalgamation deficit reserve account, based on the accounting principle prescribed under Appendix C of the Ind AS-103.

8 STAFF EMPLOYEES & WORKMEN

8.1 Upon the coming into effect of this Scheme, all the employees of the Transferor Companies shall become the employees of the Transferee Company without any break or interruption of service and with the benefit of continuity of service on terms and conditions which are not less favourable than the terms and conditions as were applicable.

8.2 The Transferee Company agrees that the service of all employees engaged in Transferor Companies immediately prior to the Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in the Transferor Companies immediately prior to the Effective Date. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity or other terminal benefits, such past service with the Transferor Companies shall also be taken into account and agrees and undertakes to pay the same as and when payable.

8.3 Upon the coming into effect of this Scheme, the Transferee Company shall make all the necessary contributions for such transferred employees engaged in or in Transferor Companies and deposit the same in provident fund, gratuity fund or superannuation fund or any other special fund or staff welfare scheme or any other special scheme. The Transferee Company will also file relevant intimations to the statutory authorities concerned who shall take the same on record and substitute the name of the Transferee Company for the Transferor Companies.

8.4 In so far as the existing provident fund, gratuity fund and pension and /or superannuation fund/trusts, retirement funds or employees state insurance schemes or pension scheme or employee deposit linked insurance scheme or any other benefits, if any, created by the Transferor Companies for employees, shall be transferred to the necessary funds, schemes or trusts of the Transferee Company and till the time such necessary funds, schemes or trusts are created by the Transferee Company, all contribution shall continue to be made to the existing funds, schemes or trusts of the Transferor Companies.

8.5 The employees of the Transferor Companies once they become the employees of the Transferee Company on the Effective Date, shall continue to stand covered under and as per the terms and conditions of the Employee Stock Option Plans of Transferee Company.

8.6 Employee stock options of the Transferee Company granted to the employees of the

Transferor Companies shall not be prejudicially affected by reason of the Scheme.

9 CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

9.1 The Transferor Companies shall carry on and be deemed to have carried on business and activities and shall stand possessed of all its assets and properties referred to above, in trust for the Transferee Company and shall account for the same to the Transferee Company. The Transferor Companies shall hold the said assets with utmost prudence until the Effective Date.

9.2 All profits or income arising or accruing in favour of the Transferor Companies and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax credit, Service tax, goods and service tax, taxes withheld / paid in foreign country, value added tax credit, CENVAT credit etc.) or losses / expenses arising or incurred by the Transferor Companies shall, for all purpose, be treated as and deemed to be the profits or income, taxes or losses or expenses, as the case may be, of the Transferee Company.

9.3 All assets acquired by the Transferor Companies after the Appointed Date and prior to the Effective Date shall be deemed to have been acquired in trust for and on behalf of the Transferee Company and shall also stand transferred to and vested in the Transferee Company upon the coming into effect of this Scheme.

9.4 Where any of the liabilities and obligations of the Transferor Companies as on the Appointed Date deemed to be transferred to the Transferee Company have been discharged by the Transferor Companies after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company, and all loans raised and used and all liabilities and obligations incurred by the Transferor Companies after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company, and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Transferee Company and shall become the liabilities and obligations of the Transferee Company, which shall be liable to meet, discharge and satisfy the same.

10 LEGAL PROCEEDINGS

10.1 Upon the coming into effect of this Scheme, if any suit, appeal or other proceeding of whatsoever nature by or against the Transferor Companies, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the transfer of the Transferor Companies or anything contained in this Scheme, but the said suit, appeal or other legal proceedings shall be continued, prosecuted and enforced, as the case may be, by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Companies, if this Scheme had not been made.

10.2 On and from the Effective Date, the Transferee Company shall be entitled to initiate or continue all legal proceedings in relation to the Transferor Companies vested with the Transferee Company.

11 CONTRACTS, DEEDS AND OTHER INSTRUMENTS

11.1 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, understandings whether written or oral and other instruments, if any, of whatsoever nature, in relation to the Transferor Companies is a party or to the benefit of which the Transferor Companies may be eligible and which are subsisting or having effect on the Appointed Date, without any further act, instrument or deed, 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 effectively as if, instead of the Transferor Companies the Transferee Company had been a party or beneficiary or obligee thereto.

11.2 Without prejudice to other provisions of this Scheme and notwithstanding the fact that the amalgamation occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any Applicable Law or otherwise, execute deeds of confirmation in favour of any party to any contract or arrangement to which the Transferor Companies is a party as may be necessary to be executed in order to give formal effect to the above

provisions. The Transferee Company shall be deemed to be authorised to execute any such writings and to carry out or perform all formalities or compliances required for the purposes referred to above.

11.3 Any statutory and other licenses, registrations, permissions, approvals or consents to carry on the operations whether issued by statutory and other authorities of the Transferor Companies shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory and other authorities concerned in favour of the Transferee Company upon the Scheme becoming effective. The benefit of all such statutory and regulatory permissions, and consents, shall vest in and become available to the Transferee Company pursuant to this Scheme. Since each of the statutory and other licenses, registrations, permissions, approvals or consents shall stand transferred by the order of the NCLT to the Transferee Company, the Transferee Company shall file the relevant intimations for the record of the statutory and other authorities who shall take them on file pursuant to the vesting orders of the NCLT.

12 TREATMENT OF TAXES

12.1 All taxes (including income tax, sales tax, service tax, goods and service tax etc.) paid or payable by Transferor Companies, before the Appointed Date, shall be on account of Transferor Companies, and insofar as it relates to the tax payment (including, without limitation, sales tax, income tax, service tax, goods and service tax etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Companies after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and shall, in all proceedings, be dealt with accordingly.

12.2 Without prejudice to the generality of the foregoing on and from the Appointed Date, if any certificate for tax deducted at source or any other tax credit certificate is received in the name of the Transferor Companies, it shall be deemed to have been received by and in the name of the Transferee Company which alone shall be entitled to claim credit for such tax deducted or paid.

12.3 Upon the coming into effect of this Scheme, Transferor Companies and the Transferee Company are expressly permitted to revise their respective tax returns and related

withholding tax certificates, including withholding tax certificates relating to transactions between the Transferor Companies and the Transferee Company, to the extent required and to claim refunds, advance tax and withholding tax credits, and benefit of credit for minimum alternate tax, or any other tax related compliances or filings of forms.

12.4 In respect of unutilized input credits of goods and service tax of Transferor Companies the same shall be transferred to the Transferee Company in accordance with the Applicable Law.

13 SAVING OF CONCLUDED TRANSACTIONS

Subject to the terms of the Scheme, continuance of proceedings by or against the Transferee Company, as provided herein, shall not affect any transactions or proceedings already concluded by the Transferor Companies before the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by and/or on behalf of Transferor Companies as acts, deeds and things done and executed by and on behalf of the Transferee Company.

14 WINDING UP

On the Scheme becoming effective, the Transferor Companies shall stand dissolved without being wound up and its name shall be struck off from the records of the Registrar of companies.

PART III

REDUCTION OF SECURITIES PREMIUM ACCOUNT OF THE TRANSFEREE COMPANY

15 <u>REDUCTION OF SECURITIES PREMIUM ACCOUNT OF THE TRANSFEREE COMPANY</u>

15.1 Immediately after Part II of the Scheme becoming effective and with effect from the Appointed Date, the balance in securities premium account available with the Transferee Company after consolidation of the Securities Premium of the Transferor Companies with the Transferee Company on account of amalgamation, would be utilized against (i) debit balance in Profit and Loss Account as on Appointed Date; and (ii) debit balance in

Amalgamation Deficit Reserve Account (including any debit balance in Amalgamation Deficit Reserve Account arising on this amalgamation pursuant to clause 7 above) in the books of the Transferee Company

15.2 This utilization of securities premium and consequential capital reduction of the Transferee Company shall be effected as an integral part of this Scheme itself and not under a separate procedure, in terms of Section 52(1) read with Section 66 of the Act, and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under Section 66 of the Act, or any other applicable provisions, confirming the reduction. The consent of the shareholders of the Transferor Companies and the Transferee Company to this Scheme shall be deemed to be the consent of its shareholders for the purpose of effecting the reduction under the provisions of Section 52(1) read with Section 66 of the Act as well and no further compliances would be separately required. The Transferee Company shall not, nor shall be obliged to, (i) call for a separate meeting of its shareholders and / or creditors for obtaining their approval sanctioning the reduction of the securities premium account of the Transferee Company; or (ii) obtain any additional approvals / compliances under section 66 and section 52 of the Act.

15.3 **ACCOUNTING TREATMENT FOR REDUCTION OF SECURITIES PREMIUM ACCOUNT AS PER CLAUSE 15.1 AND 15.2 ABOVE:**

Debit balance in Profit and Loss Account as on Appointed Date; and debit balance in Amalgamation Deficit Reserve Account (including any debit balance in Amalgamation Deficit Reserve Account arising on this amalgamation pursuant to clause 7 above) in the books of Transferee Company as on the Appointed Date shall be adjusted against credit balance of Securities Premium Account.

15.4 For the sake of completeness, it is clarified that the rights/ interests of the shareholders shall remain unaltered.

15.5 The Transferee Company shall not be required to add the words "and reduced" as a suffix to its name consequent upon the reduction of capital under Clause 15 of this Part III above.

15.6 The reduction of capital of the Transferee Company, as above, does not involve any diminution of liability in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital or payment in any other form.

PART IV
GENERAL TERMS AND CONDITIONS

16 COMBINATION OF AUTHORIZED SHARE CAPITAL

16.1 Upon sanction of this Scheme, the authorized share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including without payment of stamp duty and fees payable to Registrar of Companies, Maharashtra at Mumbai by the authorized share capital of the respective Transferor Companies and the Memorandum of Association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under any provisions of the Act would be required to be separately passed and for this purpose the stamp duties and fees paid on the authorized capital of the Transferor Companies shall be utilized and applied to the increased authorized share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee by the Transferee Company for increase in the authorized share capital to that extent.

Present authorized share capital of the Transferor Companies is as under:

Authorized Capital	**Amount in INR**
<u>Transferor Company 1</u>	

7,50,000 equity shares of Rs. 10/- each	75,00,000
Total	**75,00,000**
<u>Transferor Company 2</u>	
2,50,000 equity shares of Rs. 10/- each	25,00,000
Total	**25,00,000**

16.2 Consequent upon the amalgamation, the authorized share capital of the Transferee Company will be as under:

Authorized Capital	**Amount in INR**
7,49,14,500 Equity shares of Rs 10 each	74,91,45,000
15,65,000 Preference shares of Rs. 1,000/- each	1,56,50,00,000
Total Authorized Share Capital of the Transferee Company	**2,31,41,45,000**

16.3 The consent / resolution approving the Scheme shall be deemed to be the approval of increase and reclassification in the Authorized Share Capital of the Transferee Company under Section 13, 14, 61, 64 and other applicable provisions of the Act.

16.4 Clause 'V' of the Memorandum of Association of the Transferee Company shall stand substituted by virtue of the Scheme to read as follows:

Clause 'V' of the Memorandum of Association:

"V. (a) Authorised Share Capital of the Company is Rs. 2,31,41,45,000/- (Rupees Two hundred thirty one crores forty-one lakhs and forty five thousand only) divided into 7,49,14,500 (Seven Crores Forty Nine Lakhs Fourteen Thousand and Five Hundred only) Equity Shares of Rs. 10/- (Rupees Ten only) each and 15,65,000 (Fifteen lakh sixty five thousand) Preference Shares of Rs. 1,000/- (Rupees One thousand only) each."

17 APPLICATION TO NCLT

17.1 The Transferor Companies and Transferee Company, shall, with all reasonable dispatch, simultaneously, make necessary applications/ petitions to the NCLT, for sanctioning this Scheme and all matters ancillary or incidental thereto under Sections 230 to 232 read with section 66 and Section 52 of the Act and other applicable provisions of the Act.

18 MODIFICATION OR AMENDMENTS TO THE SCHEME

18.1 Subject to approval of the NCLT, the Transferor Companies and the Transferee Company by their respective Board of Directors or any duly authorized committee may make or consent to any modifications or amendments to the Scheme, or to any conditions or limitations that the NCLT or any other authority may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate by the respective Board of Directors or committees, including withdrawal of this Scheme and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect. No modification or amendment to the Scheme will be carried out or effected by the respective Boards without approaching the NCLT, as the case may be.

18.2 The Transferor Companies and the Transferee Company shall be at liberty to withdraw from this Scheme, in case any condition or alteration is / are imposed by the NCLT or any other authority is unacceptable to them or otherwise if so mutually agreed.

18.3 For the purpose of giving effect to this Scheme or to any modification thereof, the Board of Directors of the Transferor Companies and the Transferee Company or any other duly

authorized committee thereof are authorized severally to give such directions including directions for settling any question of doubt or difficulty that may arise under this Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any matter whatsoever connected therewith, and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in the Scheme.

19 CONDITIONALITY OF THE SCHEME

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

19.1 The Transferee Company having obtained no-objection/observation letter from the Stock Exchanges in relation to the Scheme under Regulation 37 of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015;

19.2 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the members and / or creditors (as may be required under the Act) , subject to any dispensation that may be granted by the NCLT;

19.3 The Scheme being approved by the public shareholders of Transferee Company through e-voting in terms of Part – I (A)(10)(a) of the SEBI Circular and the Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the Scheme is more than the number of vote cast by the public shareholders against it.

19.4 Sanctions and order under the provisions of Section 230 to 232 read with Section 66 and Section 52 of the Act being obtained by the NCLT; and

19.5 The certified copy / copies of the order/s referred to on this Scheme being filed with the Registrar of Companies in India.

20 SEVERABILITY

20.1 Each Section is independent of the other Section of the Scheme and is severable. The Scheme shall be effective upon sanction of the NCLT. However, failure of any one part or one Section for lack of necessary approval from the shareholders / creditors / statutory regulatory authorities or for any other reason that the Board of Directors may deem fit than this shall not result in the whole Scheme failing. It shall be open to the concerned Board of

Directors to consent to sever such part(s) of the Scheme and implement the rest of the Scheme with such modification.

21 EFFECT OF NON-RECEIPT OF APPROVALS

21.1 In the event of any of the said sanctions and approvals referred to in the preceding clause not being obtained and/ or the Scheme not being sanctioned by the NCLT or such other competent authority and / or the Order not being passed as aforesaid before December 31, 2026 or within such further period or periods as may be agreed upon between the Transferor Companies and the Transferee Company by their respective Board of Directors (and which the Board of Directors of the Companies are hereby empowered and authorised to agree to and extend the Scheme from time to time without any limitation), this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

22 COSTS, CHARGES & EXPENSES

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

KAVITA BHAVESH THADESHWAR

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