

COMPOSITE SCHEME OF ARRANGEMENT

**UNDER SECTION 232 READ WITH SECTION 230 OF THE COMPANIES ACT,
2013 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013
AND RULES FRAMED THEREUNDER**

BETWEEN

DELTA INFOSOLUTIONS PRIVATE LIMITED

("Demerged Company" for Part II of the Scheme

And

"Residual Transferor Company" for Part III of the Scheme)

AND

DATAMATICS INFOTECH SERVICES PRIVATE LIMITED

("Resulting Company" for Part II of the Scheme)

AND

DATAMATICS GLOBAL SERVICES LIMITED

("Transferee Company" for Part III of the Scheme)

AND

THEIR RESPECTIVE SHAREHOLDERS

A. PREAMBLE

This Composite Scheme of Arrangement ("Scheme") is presented under Section 232 read with Section 230 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder, for demerger and vesting of Demerged Undertaking (hereinafter defined) of Delta Infosolutions Private Limited ("Demerged Company" for Part II of the Scheme) into Datamatics Infotech Services Private Limited ("Resulting Company" for Part II of the Scheme), on a going concern basis and thereafter amalgamation and vesting of residual Delta Infosolutions Private Limited (upon Part II becoming effective) ("Residual Transferor Company" for Part III of the Scheme) into Datamatics Global Services Limited ("Transferee Company" for Part III of the Scheme) in the present form or with such alterations / modifications as may be approved or imposed or directed by National Company Law Tribunal.

B. DESCRIPTION OF COMPANIES

Delta Infosolutions Private Limited ("Demerged Company" for Part II of the Scheme and "Residual Transferor Company" for Part III of the Scheme), was incorporated as a private limited company under the name and style of Delta Share Services Private Limited in the State of Maharashtra on 17th January 1992 vide Corporate Identity Number U72300MH1992PTCo64911. The Registered Office is situated at Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri East, Mumbai - 400093 and having PAN AAACD3760B and email ID of its authorised representative is divya.kumat@datamatics.com. Thereafter, its name was changed to its current name, Delta Infosolutions Private Limited, on December 14, 1998.



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Datamatics Infotech Services Private Limited ("Resulting Company" for Part II of the Scheme), is a newly incorporated company and is incorporated as a private limited company in the State of Maharashtra on 28th March, 2018 vide Corporate Identity Number U74999MH2018PTC307296. The Registered Office is situated at Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri East, Mumbai – 400093 and having PAN – AAGCD6204N and email ID of its authorised representative is divya.kumat@datamatics.com.

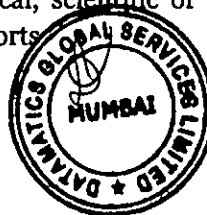
Datamatics Global Services Limited ("Transferee Company" for Part III of the Scheme), was incorporated as a private limited company in the State of Maharashtra on 3rd November, 1987 as Interface Software Resources Private Limited. The name of the Transferee Company was changed to Datamatics Technologies Private Limited on December 18, 1992. On January 14, 1999, the Company became a deemed public company, pursuant to the provisions of section 43A of the Companies Act, 1956. The members of the Transferee Company passed a resolution on December 27, 1999, to convert the Company to public company. By a certificate dated January 13, 2000, the name of the Transferee Company was changed from Datamatics Technologies Private Limited to Datamatics Technologies Limited. The name of the Transferee Company was changed to its current name Datamatics Global Services Limited pursuant to a High Court order dated December 17, 2008. It has its Corporate Identity Number as L72200MH1987PLC045205. The Registered Office is situated at Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri East, Mumbai - 400093 and having PAN AAACD4471B and Email ID of its authorised representative is divya.kumat@datamatics.com.

C. RATIONALE OF THE SCHEME

1. Background

Delta Infosolutions Private Limited, the Demerged Company / the Residual Transferor is primarily engaged in the business of investing, holding and managing a number of assets, inter-alia, investments in mutual funds, quoted and unquoted shares, debentures, interest in various promoter managed partnership firms and also a strategic investment in the flagship entity of the Datamatics Group i.e. Datamatics Global Services Limited, a company listed on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE'), and other assets. The investments held by the Demerged Company / Residual Transferor Company is categorised into the strategic and non-strategic in nature. Primarily, strategic investments of the Demerged Company comprise of the investment in Datamatics Global Solutions Limited and promoter managed partnership firms, whereas the non-strategic investments held by the company consist of both listed and unlisted companies. Further, the earnings generated by the company is in the nature of dividend, interest, and profit on sale of non-strategic investments.

Datamatics Infotech Services Private Limited, the Resulting Company, is a newly incorporated company which will undertake itself in carrying business of providing complete data centre, data entry, conversion, data processing services on block time or shared time, self-service or operator assisted basis, technical and management consultancy services in all areas of computers, computer oriented systems, computer programming, facilities management, telecommunication, software publishing and information technology for business, industrial and general purpose requirement on turnkey basis or otherwise in domestic markets and for exports. Further, it will also carry on the business of conducting research on and developing, improving, designing, marketing, selling, licensing and maintenance of software and program products in packages and to orders, relating to accounting, statistical, scientific or mathematical information and reports in domestic markets and for exports.



Datamatics Global Services Limited, a company listed on the BSE and the NSE, is a technology company that builds intelligent solutions enabling data-driven businesses to digitally transform themselves through Robotics, Artificial Intelligence, Cloud, Mobility and Advanced Analytics. With its wide array of solutions, the company has developed several proprietary products and innovative solutions through which it caters to over 450 customers across the globe, some of which are Fortune 500 companies. Headquartered in Mumbai, the company has a strong presence across the America, Australia, Asia, Europe, and the Middle East.

2. Rationale for the Scheme

2.1. Rationale for Part II of the Scheme which deals with demerger and vesting of the Demerged Undertaking of Delta Infosolutions Private Limited into Datamatics Infotech Services Private Limited, on a going concern basis:

It is proposed to divest the Demerged Undertaking of the Demerged Company which mainly comprises of non-strategic investments in an array of financial securities like mutual funds, shares, debentures into the Resulting Company since it is envisaged that the following benefits would, inter alia, accrue to the Demerged Company and the Resulting Company:

- a) The divestment of the Demerged Undertaking from the Demerged Company would allow the Resulting Company to provide depth and focus along with adoption of strategies necessary for its growth and expansion by utilising the liquid and marketable assets of the Demerged Undertaking; and
- b) By demerger of Demerged Undertaking into the Resulting Company, the financial resources will be conveniently merged and pooled with the resources of the Resulting Company, leading to utilisation of resources towards expansion and growth of the business of the Resulting Company.

2.2. Rationale for Part III of the Scheme which deals with the amalgamation and vesting of the Residual Transferor Company, Delta Infosolutions Private Limited (upon Part II becoming effective) into Datamatics Global Services Limited

It is proposed to amalgamate the Residual Transferor Company into the Transferee Company by the Scheme, as a result of which the shareholders of the Residual Transferor Company (who along with the Residual Transferor Company are also the promoters of the Transferee Company) would directly hold shares in the Transferee Company since it is envisaged that the following benefits would, inter alia, accrue to the Transferee Company:

- a) The amalgamation will result in the promoters of the Residual Transferor Company directly holding shares in the Transferee Company, which will lead not only to simplification of the shareholding structure and reduction of shareholding tiers but also demonstrate the promoter group's direct commitment to and engagement with the Transferee Company;
- b) The promoter group of the Transferee Company is desirous of streamlining its holding in the Transferee Company. As a step towards such rationalization, it is proposed to merge the Residual Transferor Company into the Transferee Company;



- c) The promoters would continue to hold the same percentage of shares in the Transferee Company, pre and post the amalgamation. There would also be no change in the financial position of the Transferee Company.
- d) Further, the Scheme also provides that the shareholders of the Residual Transferor Company shall indemnify the Transferee Company and keep the Transferee Company indemnified for liability, claim, demand, if any, and which may devolve on the Transferee Company on account of this amalgamation.

Accordingly, the Board of Directors of Delta Infosolutions Private Limited, Datamatics Infotech Services Private Limited and Datamatics Global Services Limited, have formulated this Scheme for the transfer and vesting of all the assets of the Demerged Undertaking of the Demerged Company into the Resulting Company which would be followed by transfer and vesting of the Remaining Undertaking of the Residual Transferor Company into the Transferee Company pursuant to the provisions of Section 230-232 and other relevant provisions of the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof).

3. Parts of the Scheme

This Scheme is divided into the following parts:

Part I deals with the preliminary of the Scheme, definitions of the terms used in this Scheme, Objects and the Share Capital;

Part II deals with demerger and vesting of Demerged Undertaking (hereinafter defined) of Delta Infosolutions Private Limited into Datamatics Infotech Services Private Limited, on a going concern basis;

Part III deals with the amalgamation and vesting of Residual Transferor Company (Upon Part II becoming effective) into Datamatics Global Services Limited; and

Part IV deals with the General Terms and Conditions.

4. SEQUENCE OF EFFECTIVENESS OF THE SCHEME

Upon the Scheme becoming effective, with effect from the Appointed Date, the following shall be deemed to have occurred and become effective and operative only in the order mentioned hereunder:

- (a) Part II which provides for with demerger and vesting of Demerged Undertaking (hereinafter defined) of the Demerged Company into the Resulting Company, on a going concern basis, shall be operative prior to coming effect of Part III; and
- (b) Part III which provides for amalgamation and vesting of the Residual Transferor Company (upon Part II becoming effective) into the Transferee Company shall take effect immediately after coming into effect of Part II.



PART I
DEFINITIONS AND INTERPRETATION

5. DEFINITIONS

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

- 5.1. **“Act”** means the Companies Act, 1956 and/or Companies Act, 2013, to the extent its provisions relevant for this Scheme are notified and ordinances, rules and regulations made thereunder and shall include any statutory modifications, re-enactment or amendment thereof for the time being in force.
- 5.2. **“Appointed Date”** means the 1st day of June, 2018.
- 5.3. **“Board of Directors” or “Board”** means the Board of Directors of the Demerged Company / Residual Transferor Company, Resulting Company and the Transferee Company as the case may be, and shall include a duly constituted committee thereof.
- 5.4. **“Demerger”** means the transfer by way of demerger in accordance with the provisions of Section 2(19AA) of the Income Tax Act, 1961 of the Demerged Undertaking into the Resulting Company.
- 5.5. **“Delta” or “Demerged Company” or “Residual Transferor Company”** means Delta Infosolutions Private Limited having its Corporate Identity Number as U72300MH1992PTC064911, the Registered Office is situated at Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri East, Mumbai - 400093 and having PAN – AAACD3760B and Email ID of its authorised representative is divya.kumat@datamatics.com.
- 5.6. **“DGSL” or “Transferee Company”** means Datamatics Global Services Limited having its Corporate Identity Number as L72200MH1987PLC045205, the Registered Office is situated at Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri East, Mumbai - 400093 and having PAN – AAACD4471B and email ID Email ID of its authorised representative is divya.kumat@datamatics.com.
- 5.7. **“DISPL” or “Resulting Company”** means Datamatics Infotech Services Private Limited having its Corporate Identity Number as U74999MH2018PTC307296, the Registered Office is situated at Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri East, Mumbai - 400093 and having PAN – AAGCD6204N and Email ID of its authorised representative is divya.kumat@datamatics.com.
- 5.8. **“Effective Date”** means the dates on which the Order of the NCLT sanctioning the Composite Scheme of Arrangement is filed with the Registrar of Company, Mumbai, Maharashtra State by the respective companies. Any references in this Scheme to the date of “coming into effect of this scheme” or “effectiveness of this scheme” or “Scheme taking effect” shall mean the Effective Date.
- 5.9. **“Encumbrance”** means any options, pledge, mortgage, lien, security, interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever, and the term “Encumbered” shall be construed accordingly.



- 5.10. **"Governmental Authority"** means any applicable Central, State or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction and shall include any other authority which supersedes the existing authority.
- 5.11. **"Demerged Undertaking"** shall mean the business, on a going concern basis, of making investment which are non-strategic in nature in mutual funds, quoted shares, unquoted shares, debentures, cash and cash equivalents, partnership firms/LLP's, loans and advances, other receivable assets, properties and liabilities and obligations of whatsoever nature and kind and wheresoever situated in India and outside India, of the Demerged Company as on the Appointed Date, belonging to, or forming part of, or relating or appertaining to, or attributable to the Demerged Undertaking of Demerged Company and shall include the following without limitation:
- a. all movable assets including financial securities like mutual funds, shares, and debentures, and the income generated therefrom, cash and cash equivalents, current assets (such as account receivables, loans and advances, and other movable assets pertaining to the Demerged Undertaking) any and all rights, programs, warranties, supports, title, interest, covenant, intercompany deposits, liabilities including continuing rights, title and interest in connection with the movable properties whether leasehold or otherwise along with all present and future liability including contingent liabilities and debts of the Demerged Undertaking, if any;
 - b. all assets (including leased assets), any continuing rights, title and interest in connection with the immovable properties, whether leasehold or otherwise of the Demerged Undertaking, if any;
 - c. all contracts, agreements, deeds, arrangements, letters of intent, policies of insurance in connection with or in relation to the Demerged Undertaking, if any;
 - d. all necessary records, files, documents, reports, papers, computer programs, manuals, data catalogues, sales and advertising materials, list of present and former customers and suppliers, customer pricing information and other records in physical or computerized form;
 - e. all intellectual property rights created, developed or invented by employees in connection with the Demerged Undertaking, if any;
 - f. all other property or assets, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent, owned, held, used or otherwise enjoyed by the Demerged Undertaking, if any;
 - g. all debts, borrowings and liabilities, present or future, whether secured or unsecured of the Demerged Undertaking, if any, including its contingent liabilities;
 - h. all permanent and contractual employees of the Demerged Company engaged in relation to the Demerged Undertaking, if any, at their respective offices and branches or otherwise, at their current terms and conditions;



- i. all customers, contracts, projects, works, benefits and privileges, tax credits, including CENVAT credits, GST Credits refunds, reimbursements, claims, exemptions, benefits under service tax laws, value added tax, purchase tax, sales tax or any other duty or tax or cess or imposts under central or state law including sales tax deferrals, advance taxes, tax deducted at source, right to carry forward and set-off unabsorbed losses, if any and depreciation, deductions and benefits under the Income Tax Act, 1961;
- j. all investments, current assets, funds, and loans and advances including accrued interest of the Demerged Undertaking, if any;

It is hereby clarified that where any question that may arise as to whether a specific asset whether tangible or intangible or liability or contracts or employee, pertains or does not pertain to the Demerged Undertaking, if any, or whether it arises out of the activities or operations of the Demerged Undertaking, if any, shall be decided by the Board of the Demerged Company, or any committee constituted thereof.

5.12. **"NCLT"** means National Company Law Tribunal, Mumbai Bench having jurisdiction in relation to the Demerged Company / Residual Transferor Company, Resulting Company and the Transferee Company.

5.13. **"Record Date"** shall mean:

(i) for Part II of the Scheme - the date to be fixed by the Board of Directors of the Resulting Company for the purpose of issue of shares of the Resulting Company to the shareholders of the Demerged Company.

(i) for Part III of the Scheme - the date to be fixed by the Board of Directors of the Transferee Company for the purpose of issue of shares of the Transferee Company to the shareholders of the Residual Transferor Company.

5.14. **"Remaining Undertaking"** means all the undertaking, businesses, activities and operations other than those comprised in the Demerged Undertaking business, including their respective properties, assets, investments and liabilities, warrants.

5.15. **"Scheme" or "the Scheme" or "this Scheme"** means this Composite Scheme of Arrangement including Schedules, as amended or modified, in its present form submitted to the NCLT for approval, with any modifications, as may be approved or imposed or directed by the NCLT or any other appropriate authority.

5.16. **"Transition period"** means period starting from the date immediately after the Appointed Date till the Effective Date.

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.

6. SHARE CAPITAL

6.1. The present share capital structure of the Demerged Company / Residual Transferor Company is as under –



Share Capital	Amount (Rupees)
Authorized Share Capital	
600,000 equity shares of Re. 1 each	6,00,000
650,000 Redeemable Preference shares of Re. 1 each	6,50,000
TOTAL	12,50,000
Issued, subscribed and paid-up Share Capital	
1,20,000 equity shares of Re. 1 each	1,20,000
TOTAL	1,20,000

There is no change in the authorised, issued, subscribed and paid-up share capital of the Demerged Company / Residual Transferor Company from the date of approval of the scheme by the Board of Directors of the Demerged Company / Residual Transferor Company till filing of this Scheme with SEBI.

6.2. The present share capital structure of the Resulting Company is as under –

Share Capital	Amount (Rupees)
Authorized Share Capital	
10,00,000 equity shares of Re. 1 each	10,00,000
TOTAL	10,00,000
Issued, subscribed and paid-up Share Capital	
1,20,000 equity shares of Re. 1 each	1,20,000
TOTAL	1,20,000

There is no change in the authorized, issued, subscribed and paid-up share capital of the Resulting Company, from the date of approval of the Scheme by the Board of Directors of the Resulting Company till filing of this Scheme with SEBI.

6.3. The present share capital structure of the Transferee Company is as under –

Share Capital	Amount (Rupees)
Authorized Share Capital	
10,40,00,000 equity shares of Rs. 5 each	52,00,00,000
4,55,50,000 Redeemable Preference shares of Rs. 10 each	45,55,00,000
TOTAL	97,55,00,000
Issued, subscribed and paid-up Share Capital	
5,89,49,337 equity shares of Rs. 5 each	29,47,46,685



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Share Capital	Amount (Rupees)
TOTAL	29,47,46,685

There is no change in the authorized, issued, subscribed and paid-up share capital of the Transferee Company, from the date of approval of the Scheme by the Board of Directors of the Transferee Company till filing of this Scheme with SEBI.

7. DATE OF TAKING EFFECT AND OPERATIVE DATE

- 7.1. The Scheme shall be effective in its present form or with any modification(s) approved or imposed or directed by the NCLT or any other appropriate authority and shall become effective from the Appointed Date as defined in Section 232(6) of the Act in terms of Clause 1.2 mentioned above.

**PART II – DEMERGER AND VESTING OF DEMERGED UNDERTAKING OF
DELTA INFOSOLUTIONS PRIVATE LIMITED INTO DATAMATICS INFOTECH
SERVICES PRIVATE LIMITED, ON A GOING CONCERN BASIS**

8. TRANSFER AND VESTING OF DEMERGED UNDERTAKING INTO RESULTING COMPANY

- 8.1. With effect from the Appointed Date and upon the Scheme becoming effective, the Demerged Undertaking of Demerged Company shall vest into the Resulting Company, as a going concern including all its properties and assets, whether movable or immovable, tangible or intangible, balance in bank, cash or investments and other assets of whatsoever nature and tax credits including under GST law, quotas, rights, consents, entitlements, licenses, certificates, permits, and facilities of every kind and description whatsoever for all intents and purposes, permissions under income tax and/or any other statutes, incentives, if any, without any further act or deed so as to become the business, properties and assets of the Resulting Company.
- 8.2. With effect from the Appointed Date and upon the Scheme becoming effective, all the movable assets of Demerged Undertaking or assets otherwise capable of transfer by manual delivery or by endorsement and delivery, including cash in hand, shall be physically handed over by manual delivery or by endorsement and delivery, to the Resulting Company to the end and intent that the property therein passes to the Resulting Company on such manual delivery or endorsement and delivery, without requiring any deed or instrument of conveyance for the same and shall become the property of the Resulting Company accordingly.
- 8.3. With effect from the Appointed Date and upon the Scheme becoming effective, in respect of movable assets of Demerged Undertaking, other than those specified in sub-Clause 8.2 above, the same shall, without further act, instrument or deed, be vested and/ or deemed to be vested in Resulting Company pursuant to the provisions of Section 232 of the Act and the Demerged Company shall give notice in such form as it deems fit to such persons, that pursuant to the order of the NCLT, the said asset would be paid or made good to or held on account of, the Resulting Company, and the rights of the Demerged Company will vest with the Resulting Company upon this Scheme becoming operative.



- 8.4. With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, contingent liabilities, duties, taxes, GST liabilities, and obligations of Demerged Undertaking, as on the Appointed Date, whether provided for or not, in the books of accounts of the Demerged Company, and all other liabilities which may accrue or arise after the Appointed Date but which relates to the Transition period, shall, pursuant to the Order of the NCLT or such other competent authority, as may be applicable under Section 232 and other applicable provisions of the Act, and without any further act or deed, be vested or deemed to be vested in and be assumed by the Resulting Company, so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company on the same terms and conditions as were applicable to the Demerged Company and the Resulting Company undertakes to meet, discharge and satisfy to the exclusion of the Demerged Company and to keep the Demerged Company indemnified at all times from and against all such debts, liabilities, contingent liabilities, duties, taxes and obligations of Demerged Undertaking from all actions, demands and proceedings in respect thereto.
- 8.5. The Resulting Company, may, at any time after this Scheme coming into effect, if required under law or otherwise, execute deeds of confirmation in favour of any other party with which the Demerged Company has a contract or arrangement, or give any such writing or do any such things, as may be necessary, to give effect to the above.
- 8.6. In so far as loans and borrowings of the Demerged Company pertaining to the loans and liabilities, which are to be vested to the Resulting Company as part of Demerged Undertaking shall, without any further act or deed, become loans and borrowings of the Resulting Company, and all rights, powers, duties and obligations in relation thereto shall be and stand vested in and shall be exercised by or against the Resulting Company as if it had entered into such loans and incurred such borrowings. Thus, the primary obligation to redeem or repay such liabilities upon the Scheme becoming effective shall be that of the Resulting Company. However, without prejudice to such vesting of liability amount, where considered necessary for the sake of convenience and towards facilitating single point creditor discharge, the Resulting Company may discharge such liability (including accretions thereto) by making payments on the respective due dates to the Demerged Company, which in turn shall make payments to the respective creditors.
- 8.7. The vesting of the assets comprised in Demerged Undertaking to the Resulting Company under this Scheme shall be subject to the mortgages and charges, if any, affecting the same as hereinafter provided.
- 8.8. The existing securities, mortgages, charges, encumbrances or liens or those, if any, created by the Demerged Company after the Appointed Date and during the Transition period, in terms of this Scheme, over the assets comprised in Demerged Undertaking, or any part thereof, shall be vested in the Resulting Company by virtue of this Scheme, and the same shall, after the Transition period, continue to relate and attach to such assets or any part thereof to which they relate or attached prior to the Transition period and are vested with the Resulting Company, and such Encumbrances shall not relate or attach to any of the other assets, of the Demerged Company.
- 8.9. In so far as the existing Encumbrance, if any, in respect of the loans, borrowings, debts, liabilities, is concerned, such Encumbrance shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in Demerged Undertaking which have been Encumbered in respect of the transferred liabilities as transferred to the Resulting Company pursuant to this Scheme. Provided that



if any of the assets comprised in Demerged Undertaking which are being transferred to the Resulting Company pursuant to this Scheme have not been Encumbered in respect of the transferred liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.

- 8.10. In so far as the existing security in respect of the loans or borrowings of the Demerged Company and other liabilities relating to the Demerged Undertaking are concerned, such security shall, without any further act, instrument or deed be continued with the Demerged Company. The Demerged Company and the Resulting Company shall file necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.
- 8.11. The foregoing provisions insofar as they relate to the vesting of liabilities with the Resulting Company shall operate, notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security documents, all of which instruments shall stand modified and/or superseded by the foregoing provisions.
- 8.12. With effect from the Appointed Date and during the Transition period, subject to the other provisions of the Scheme, all approvals, quotas, rights, consents, entitlements, licenses, certificates, permits, and facilities of every kind and description whatsoever, privileges, deeds, bonds, quality certifications and approvals, powers of attorneys, agreements and other instruments of whatsoever nature in relation to Demerged Undertaking to which the Demerged Company is a party, or the benefit to which the Demerged Company may be eligible, subsisting or operative immediately on or before the Effective Date, shall be in full force and effect against or in favour of the Resulting Company and may be enforced fully and effectively as if instead of the Demerged Company, the Resulting Company had been a party or beneficiary thereto so as to continuation of operations of the Demerged Undertaking by the Resulting Company without any hindrance or disruption after the Transition period. The Resulting Company shall enter into and/or issue and/or execute deeds, writings, endorsements or confirmation or enter into any tripartite agreement, confirmations or novations to which Demerged Company will, if necessary, also be a party, in order to give formal effect to the provisions of this Scheme, if so required or if it becomes necessary. Further, the Resulting Company shall be deemed to be authorized to execute any such deeds, writings, endorsements or confirmations on behalf of the Demerged Company and to implement or carry out all formalities required on the part of the Demerged Company to give effect to the provisions of this Scheme. In case a question arises as to whether a specific asset or liability or contracts or employee, pertains or does not pertain to Demerged Undertaking or whether it arises out of the activities or operations of Demerged Undertaking shall be decided by the Board of the Demerged Company, or any committee constituted thereof. A certificate issued by the Board of Directors or the committee thereof in this respect shall be a conclusive evidence of the matter.
- 8.13. With effect from the Appointed Date and upon the Scheme becoming effective, the entitlement to various benefits under incentive schemes and policies, if any, in relation to Demerged Undertaking of Demerged Company shall stand vested in and/or be deemed to have been vested in the Resulting Company together with all benefits, entitlements and incentives of any nature whatsoever. Such entitlements shall include (but shall not be limited to) income-tax, sales tax exemption / deferment, value added tax, turnover tax, excise duty, service tax, customs, export benefits and other incentives in relation to



Demerged Undertaking of the Demerged Company to be claimed by the Resulting Company with effect from the Appointed Date as if the Resulting Company were originally entitled to all such benefits under such incentive scheme and/or policies, subject to continued compliance by the Resulting Company of all the terms and conditions subject to which the benefits under such incentive schemes were made available to the Demerged Company. The Resulting Company shall be entitled to such benefits in its name, without any additional liabilities or expenses whatsoever.

- 8.14. Any tax liability under the Income-tax Act, 1961, Customs Act 1962, Central Excise Act, 1944, Goods and Services Tax Act, 2017, State Value Added Tax laws, Central Sales Tax Act, 1956 or other applicable laws/ regulations dealing with taxes/ duties/ levies (herein referred to as 'Tax Laws') allocable or related to Demerged Undertaking of the Demerged Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date related to Demerged Undertaking shall be vested with the Resulting Company.
- 8.15. All taxes (including income tax, goods and services tax, sales tax, excise duty, service tax, VAT etc.) paid or payable by the Demerged Company in respect of the operations and/ or the profits of Demerged Undertaking before the Appointed Date shall be on account of the Demerged Company and in so far as it relates to the tax payment (including, without limitation, sales tax, goods and services tax, excise duty, custom duty, income tax, service tax, VAT etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by the Demerged Company in respect of the profits or activities or operations of Demerged Undertaking after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company and shall in all proceedings be dealt with accordingly.
- 8.16. On and from the Appointed Date, if any Certificate for Tax Deducted at Source or any other tax credit certificate relating to Demerged Undertaking of the Demerged Company is received in the name of the Demerged Company, it shall be deemed to have been received by the Resulting Company, which alone shall be entitled to claim credit for such tax deducted or paid.
- 8.17. On and from the Appointed Date, the benefit of all balances relating to CENVAT or GST or Service Tax or VAT being balances pertaining to Demerged Undertaking of the Demerged Company, if any, shall stand vested in the Resulting Company as if the transaction giving rise to the said balance or credit was a transaction carried out by the Resulting Company. The liabilities of Demerged Undertaking of the Demerged Company as on the Appointed Date shall stand vested in the Resulting Company, save as otherwise in respect of the liabilities which were met by the Demerged Company during the Transition period, which shall be construed to have been met by the Resulting Company as if the transaction giving rise to the said liability was a transaction carried out by the Resulting Company.
- 8.18. Upon the coming into effect of the Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, Schemes, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking, to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, and which are subsisting or have effect before the Appointed Date and during the Transition period, shall continue in full force and effect on or against or in favour, as the case may be, of the Resulting Company and may be enforced as fully and effectually as if instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto or thereunder. All liabilities arising from all such contracts, deeds, bonds,



agreements, Schemes, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking, to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, and which are subsisting or have effect immediately before the Appointed Date, shall be on account of the Demerged Company and after the Appointed Date, the same shall be on account of the Resulting Company and shall, in all proceedings, be dealt with accordingly.

- 8.19. It is clarified that upon the Scheme coming into effect, all consents, permissions, licenses, approvals, certificates, insurance covers, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Demerged Company in relation to the Demerged Undertaking shall stand transferred to the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company, and the Resulting Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Resulting Company. All liabilities arising from all such consents, permissions, licenses, approvals, certificates, insurance covers, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Demerged Company in relation to the Demerged Undertaking, and which are subsisting or have effect immediately before the Appointed Date, shall be on account of the Demerged Company and after the Appointed Date, the same shall be on account of the Resulting Company and shall, in all proceedings, be dealt with accordingly.
- 8.20. If any assets (including estate, claims, rights, title, interest in or authorities relating to any asset) or any contracts, deeds, bonds, agreements, Schemes, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking which the Demerged Company owns or to which the Demerged Company is a party to, cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such assets, contracts, deeds, bonds, agreements, Schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company, insofar as it is permissible so to do, till such time as the transfer is affected.
- 8.21. It is hereby clarified that the vesting of Demerged Undertaking in the Resulting Company shall be on a going concern basis. It is further clarified that the rest of the assets, Warrants and liabilities (other than those forming part of Demerged Undertaking or otherwise specified in this Scheme) of the Demerged Company shall continue to vest in the Demerged Company.

9. STAFF & EMPLOYEES

- 9.1. Upon the Scheme coming into effect, all staff and employees of the Demerged Undertaking in service as at the end of the Transition period shall be deemed to have become staff and employees of the Resulting Company with effect from the Appointed Date, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Resulting Company shall not be less favorable than those applicable to them in the Demerged Company as at the end of the Transition period.
- 9.2. The equitable interest in accounts/funds of the employees and staff, if any, whose services are vested with the Resulting Company, relating to superannuation, provident fund and gratuity fund shall be identified, determined and vested with the respective trusts/funds of the Resulting Company and such employees shall be deemed to have become members of such trusts/funds of Resulting Company. Until



such time, the Demerged Company may, subject to necessary approvals and permissions, if any, continue to make contributions pertaining to the employees of the Demerged Undertaking to the relevant funds of the Demerged Company.

- 9.3. The Resulting Company, at any time after the Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, will execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Demerged Undertaking of the Demerged Company to which any of the Demerged Company is a party in order to give formal effect to the provisions of the Scheme. The Resulting Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances, referred to above, on behalf of the Demerged Company.

10. LEGAL PROCEEDINGS

- 10.1. If any suit, appeal or other legal proceedings of whatsoever nature by or against the Demerged Company in relation to the Demerged Undertaking is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the Demerger and 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 Resulting 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 Demerged Company as if this Scheme had not been made. In the event that the legal proceedings referred to herein require the Demerged Company and the Resulting Company to be jointly treated as parties thereto, Resulting Company shall be added as party to such proceedings and shall prosecute and defend such proceedings in co-operation with the Demerged Company. In the event of any difference or difficulty in determining as to whether any specific legal or other proceeding relates to Demerged Undertaking or not, a certificate issued by the Board of Directors of the Demerged Company as to whether such proceeding relates to Demerged Undertaking or not, shall be conclusive evidence of the matter.
- 10.2. The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company referred to above transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of Demerged Company.
- 10.3. After the Transition period, the Resulting Company shall and may, if required, initiate any legal proceedings in relation to the Demerged Undertaking of the Demerged Company.

11. CONSIDERATION

- 11.1. Upon coming into effect of the Scheme and in consideration for demerger of Demerged Undertaking of the Demerged Company into the Resulting Company, the Resulting Company shall, without any further application or deed, issue and allot equity shares of face value INR 1/- each, credited as fully paid up, to all the equity shareholders of the Demerged Company whose names appear in the register of members as on the Record Date of the Demerged Company or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be, in the following proportion:



One fully paid up Equity Shares of INR 1/- each of the Resulting Company shall be issued and allotted to the Equity Shareholders of the Demerged Company, in proportion to one equity share held by them in the Demerged Company.

Equity shares shall be issued by the Resulting Company in dematerialized form to those equity shareholders of the Demerged Company respectively who hold shares of the Demerged Company in dematerialized form, in to the account in which the Demerged Company shares are held or such other account as is intimated by the shareholders to the Resulting Company and / or its Registrar. All those shareholders who hold shares of the Demerged Company in physical form shall also have the option to receive the equity shares in the Resulting Company in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to the Resulting Company and / or its Registrar. Otherwise, they would be issued equity shares in physical form.

- 11.2. The Resulting Company shall take necessary steps to increase or alter or re-classify, (if necessary), its authorized share capital suitably to enable it to issue and allot equity shares required to be issued and allotted by it under this Scheme.
- 11.3. Approval of this Scheme by the equity shareholders of the Resulting Company shall be deemed to be the due compliance of the provisions of section 62 of the Companies Act, 2013, and other relevant and applicable provisions of the Act for the issue and allotment of equity shares by the Resulting Company to the equity shareholders of the Demerged Company respectively, as provided in this Scheme.
- 11.4. The issue and allotment of equity shares by the Resulting Company to the equity shareholders of the Demerged Company as provided in this Scheme, shall be deemed, without any further act or deed by the Resulting Company, to be a private placement within the meaning of section 42 of the Companies Act, 2013 and it shall be deemed that the procedures laid down under the said section of the Act and any other applicable provisions of the Act were duly complied with.
- 11.5. The approval of this Scheme by the equity shareholders of both the companies under Sections 230 to 232 of the Act shall be deemed to have the approval under sections 13 and 14 of the Companies Act, 2013 and other applicable provisions of the Act and any other consents and approvals required in this regard.

12. BUSINESS AND PROPERTY IN TRUST FOR RESULTING COMPANY

With effect from the Appointed Date and during the Transition period:

- 12.1. The Demerged Company shall be deemed to have been carrying on and shall carry on its business and activities, pertaining to the Demerged Undertaking of the Demerged Company, and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all their properties and assets for and on account of and in trust for the Resulting Company. The Demerged Company undertakes to hold its said assets with utmost prudence until the Effective Date.
- 12.2. The Demerged Company shall carry on its business and activities, pertaining to the Demerged Undertaking of the Demerged Company, with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without



prior written consent of the Resulting Company, alienate, charge, mortgage, encumber or otherwise deal with or dispose of any business or part, pertaining to the Demerged Undertaking of the Demerged Company, thereof.

- 12.3. All the profits or income accruing or arising to the Demerged Undertaking of the Demerged Company or expenditure or losses arising or incurred or suffered by the Demerged Undertaking of the Demerged Company, post the Appointed Date, shall for all purposes be treated and be deemed to be accrued as the income or profits or losses or expenditure as the case may be of the Resulting Company.
- 12.4. The Demerged Company shall not vary the terms and conditions of employment of any of their employees, pertaining to the Demerged Undertaking of the Demerged Company, except in the ordinary course of business or without the prior consent of the Resulting Company or pursuant to any pre-existing obligation undertaken by them, as the case may be, prior to the Appointed Date.
- 12.5. The Demerged Company and the Resulting Company shall be entitled, pending sanction of the Scheme, to apply to the Central/State Government, and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which may be required pursuant to this Scheme.
- 12.6. All accretions and depletions to the Demerged Undertaking shall be for and on account of the Resulting Company.
- 12.7. With effect from the Effective Date, the Resulting Company shall commence and carry on and shall be authorized to carry on the business carried on by the Demerged Undertaking of the Demerged Company in addition to the business of the Resulting Company.
- 12.8. The Demerged Company shall not utilize the profits or income of Demerged Undertaking, if any, for the purpose of declaring or paying any dividend or for any other purpose except in the ordinary course of Demerged Undertaking, without the prior written consent of the Resulting Company.

13. ACCOUNTING TREATMENT

Upon the Scheme becoming effective, the Resulting Company and the Demerged Company shall account for demerger in their respective books of account as under:

13.1. In the books of Resulting Company

The Resulting Company shall give effect to the accounting treatment in its books of account in accordance with the accounting standards issued by Government u/s 133 of the Companies Act, 2013 read with the Companies (Accounting Standards) Rules, 2006 or the applicable standard prevailing.

13.2. In the books of Demerged Company

The Demerged Company shall give effect to the accounting treatment in its books of account in accordance with the relevant Indian Accounting Standard prescribed under Section 133 of the Act.



14. REDUCTION IN PAID UP SHARE CAPITAL OF THE RESULTING COMPANY

- 14.1. Upon the issuance and allotment of equity shares pursuant to Clause 11 above, the existing shares i.e. shares held by the equity shareholders of the Resulting Company prior to the Scheme becoming effective shall stand cancelled without any further application, act, instrument or deed, as an integral part of this Scheme.
- 14.2. The share certificate(s) in relation to the shares held by the equity shareholders of the Resulting Company as on the date of issue and allotment above, shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled and no new share certificates will be issued by the Resulting Company, in lieu of share certificates already held by existing shareholders of the Resulting Company in the Resulting Company.
- 14.3. Such reduction of share capital of the Resulting Company shall be effected as an integral part of the scheme and the orders of the NCLT sanctioning the scheme shall be deemed to be an order under section 66 of the Act confirming the reduction and no separate sanction under section 66 of the Act will be necessary.
- 14.4. Notwithstanding the reduction of capital of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name.

PART III – AMALGAMATION AND VESTING OF RESIDUAL DELTA INFOSOLUTIONS PRIVATE LIMITED (UPON PART II BECOMING EFFECTIVE) INTO DATAMATICS GLOBAL SERVICES LIMITED

15. AMALGAMATION AND VESTING OF ASSETS AND LIABILITIES AND RESIDUAL BUSINESS OF RESIDUAL TRANSFEROR COMPANY (UPON PART II TAKING EFFECT) WITH THE TRANSFeree COMPANY

- 15.1. Upon this Part II of this Scheme becoming effective and with effect from the Appointed Date and subject to the provisions of the Scheme and in accordance with the provisions of section 2(1B) of the Income-tax Act, 1961, the Residual Transferor Company shall, pursuant to the sanction of this Scheme by the NCLT and pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company without any further act, instrument, deed matter or things so as to become business of the Transferee Company by virtue of and in the manner provided in the Scheme.
- 15.2. The business of the Residual Transferor Company carried on till the Appointed Date and thereon till the Effective Date, shall, under Sections 230 to 232 and other applicable provisions, if any, of the Act, be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, ongoing concern basis so as to become business of the Transferee Company by virtue of and in the manner provided in the Scheme.
- 15.3. Without prejudice to the generality of the above, upon the coming into effect of this scheme and with effect from the Appointed Date:
 - a. All the assets, properties and entitlements of the Residual Transferor Company, of whatsoever nature and wheresoever situate and which are capable of passing by



manual delivery, shall under the provisions of Section 230 to 232 and all other provisions, if any, of the Act, without any further act or deed, be and stand transferred to and vested in the Transferee Company or be deemed to be transferred to or vested in the Transferee Company as a going concern so as to become, as from the Appointed Date, the assets and properties of the Transferee Company.

- b. Without prejudice to the above provisions, in respect of such of the assets and properties of the Residual Transferor Company, as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred by the Residual Transferor Company and shall upon such transfer become the assets and properties of the Transferee Company without requiring any deed or instrument or conveyance for the same.
- c. In respect of the movables other than those dealt with in sub-clause (b) above including sundry debtors, receivables, bills, credits, loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances, investments, earnest monies and deposits, if any, with any Government, Semi-Government, local and other authorities and bodies, with any company or other person, the Residual Transferor Company, shall, if required give notice in such form as they may deem fit and proper, to each person, debtor or depositor, as the case may be, that pursuant to the NCLT having sanctioned the amalgamation of the Residual Transferor Company with the Transferee Company, under Sections 230 to 232 of the Act, the said debt, loan, advance or deposit be paid or made good or held on account of the Transferee Company as the person entitled thereto and that appropriate entry should be passed in its books to record the aforesaid change. The Transferee Company shall, if required, also give notice in such form as it may deem fit and proper to each person, debtor or depositor that, pursuant to NCLT having sanctioned the amalgamation of the Residual Transferor Company with the Transferee Company under Sections 230 to 232 of the Act, the said debt, loan, advance, balance or deposit be paid or made good or held on account of the Transferee Company.
- d. All the licenses, permits, quotas, approvals, trademarks, brands, permissions, registrations, incentives, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Residual Transferor Company and all rights and benefits that have accrued or which may accrue to the Residual Transferor Company, whether before or after the Appointed Date, shall pursuant to the provisions of Section 232 of the Act, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to or vested in and be available to the Transferee Company so as to become as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.
- e. All Assets and properties of the Residual Transferor Company as on the Appointed Date, whether or not included in the books of the Residual Transferor Company, and all assets and properties, which are acquired by the Residual Transferor Company, on or after the Appointed Date, shall be deemed to be and shall become assets and properties of the Transferee Company by virtue of and in the manner provided in this Scheme.



- f. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is hereby clarified that with effect from the Appointed Date, and upon the scheme becoming effective, the benefits of all tax credits, tax losses etc. under various Acts including but not restricted to Income Tax Act, VAT, Excise Act etc. to which the Residual Transferor Company is entitled to shall vest in and become available to the Transferee Company. In so far as the various incentives, subsidies, tax benefits or any other exemptions of the Residual Transferor Company, rehabilitation Schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Residual Transferor Company or tax credits of the Residual Transferor Company, are concerned, the same shall vest with and be available to Transferee Company on the same terms and conditions.
- 15.4. Without prejudice to the generality of the above, upon coming into effect of this Scheme and with effect from the Appointed Date, all debts, liabilities, duties, obligations of every kind, nature and description of the Residual Transferor Company, and all the revenue as well as capital reserves of the Residual Transferor Company, shall pursuant to the sanction of the Scheme by the NCLT and pursuant to the provisions of sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date the debts, liabilities, duties, obligations and reserves of the Transferee Company on the same terms and conditions as were applicable to the Residual Transferor Company and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this clause.
- 15.5. The transfer of property and liabilities, as above, shall not affect any transaction already concluded by the Residual Transferor Company till, on or after the Appointed Date and till the Effective Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Residual Transferor Company in regard thereto as done and executed by the Transferee Company on its own behalf. Furthermore, as from the Appointed Date, the Residual Transferor Company shall be deemed to have carried on and to be carrying on the business on behalf of and in trust for the Transferee Company until such time as the Scheme takes effect.
- 15.6. It is clarified that all owning, liabilities, duties and obligations of the Residual Transferor Company as on the Appointed Date whether provided for or not in the books of accounts of the Residual Transferor Company and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or upto 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 Residual Transferor Company or on any income earned from those assets. It is further clarified that, as and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued by or enforced against the Residual Transferor Company.
- 15.7. Loans, debt securities, Debentures or other obligations, if any, due between or amongst the Residual Transferor Company and the Transferee Company shall stand discharged and there shall be no liability in that behalf with effect from the Appointed Date.



- 15.8. The transfer as aforesaid shall be subject to charges / hypothecations / mortgages over the assets or any part thereof provided, however, that any reference in any security document or any arrangements to which the Residual Transferor Company is a party, to the assets or properties of the Residual Transferor Company offered as security for any financial assistance or obligations to the secured creditor/s of the Residual Transferor Company, shall be construed only to be to the respective assets or properties of the Residual Transferor Company as are vested in the Transferee Company by virtue of this clause to the end and intent that such security, mortgage and charge shall not extend or be deemed to extend to any Assets or any other units or divisions of the Transferee Company unless specifically agreed to by the Transferee Company with such secured creditor/s and subject to consents and approvals of the existing secured creditors of the Transferee Company, if any. This Scheme shall not operate to enlarge / enhance any security created by the Transferee Company.

16. STAFF & EMPLOYEES

- 16.1. Upon the Scheme becoming effective, the Transferee Company shall take over all the staff (including working Directors) in the service of the Residual Transferor Company immediately preceding Effective Date, and that they shall become the staff and employees, of the Transferee Company on the basis that their services shall be deemed to have been continuous and not have been interrupted by reasons of the said transfer. The terms and conditions of service applicable to such staff or employees after such transfer shall not in any way be less favorable to them than those applicable to them immediately preceding the transfer.
- 16.2. As far as Provident Fund, Gratuity Fund or any other Special Fund or schemes existing for the benefit of the employees of the Residual Transferor Company are concerned, upon the Scheme becoming effective, the Transferee Company shall be substituted for the Residual Transferor Company for all purposes whatsoever related to the administration / operation of such Funds or schemes or in relation to the obligation to make contribution to the said Funds or schemes in accordance with provisions of such Funds or Schemes or according to the terms provided in the respective Trust Deeds or other documents. All the rights, duties, powers and obligations of the Residual Transferor Company in relation to such Funds or Schemes shall become those of the Transferee Company and the services of the employees will be treated as being continuous for the purpose of the aforesaid Funds or Schemes.

17. LEGAL PROCEEDINGS

- 17.1. If any suit, appeal or proceedings of whatsoever nature (hereinafter referred to as "the said proceedings") by or against any of the Residual Transferor Company be pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of amalgamation of the Residual Transferor Company or by anything in this Scheme, but the said proceedings may 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 and enforced, as the case may be, by or against the Residual Transferor Company if this Scheme had not been made.

18. AMALGAMATION NOT TO AFFECT TRANSACTIONS / CONTRACTS OF RESIDUAL TRANSFEROR COMPANY:



- 18.1. The amalgamation of Residual Transferor Company and the continuance of the said proceedings by or against the Transferee Company shall not affect any transaction or proceedings already concluded by or against the Residual Transferor Company after the Appointed Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done or executed by the Residual Transferor Company after the Appointed Date as done and executed on its behalf. The said transfer and vesting pursuant to Section 232 of the Act, shall take effect from the Appointed Date unless the NCLT otherwise directs.

19. CONSIDERATION / ISSUE OF SHARES

- 19.1. Upon coming into effect of the Scheme and in consideration for amalgamation of the Residual Transferor Company with and into the Transferee Company, the Transferee Company shall, without any further application or deed, issue and allot equity shares of face value INR 5/- each, credited as fully paid up, to all the equity shareholders of the Residual Transferor Company (other than the Transferee Company itself) whose names appear in the register of members as on the Record Date of the Residual Transferor Company or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be, in the following proportion:

'3,18,13,742 fully paid equity shares of INR 5/- each of DGSL to be issued and allotted to the Equity Shareholders of DIPL, in proportion to their holdings in DIPL in the event of amalgamation of DIPL into DGSL.'

- 19.2. Equity shares shall be issued by the Transferee Company in dematerialized form to those equity shareholders of the Residual Transferor Company respectively who hold shares of the Residual Transferor Company in dematerialized form, in to the account in which the Residual Transferor Company shares are held or such other account as is intimated by the shareholders to the Transferee Company and / or its Registrar. All those shareholders who hold shares of the Residual Transferor Company in physical form shall also have the option to receive the equity shares in the Transferee Company in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to the Transferee Company and / or its Registrar. Otherwise, they would be issued equity shares in physical form.
- 19.3. The Transferee Company shall take necessary steps to increase or alter or re-classify, (if necessary), its authorized share capital suitably to enable it to issue and allot equity shares required to be issued and allotted by it under this Scheme.
- 19.4. Approval of this Scheme by the equity shareholders of the Transferee Company shall be deemed to be the due compliance of the provisions of section 62 of the Companies Act, 2013, and other relevant and applicable provisions of the Act for the issue and allotment of equity shares by the Transferee Company to the equity shareholders of the Residual Transferor Company respectively, as provided in this Scheme.
- 19.5. The issue and allotment of equity shares by the Transferee Company to the equity shareholders of the Residual Transferor Company as provided in this Scheme, shall be deemed, without any further act or deed by the Transferee Company, to be a private placement within the meaning of section 42 of the Companies Act, 2013 and it shall be deemed that the procedures laid down under the said section of the Act and any other applicable provisions of the Act were duly complied with.



- 19.6. Upon issue and allotment of such shares as aforesaid, the fractional entitlements of shares to any shareholders of DIPL shall be rounded off to the nearest integer. A fraction of less than half shall be rounded down to the nearest lower integer and a fraction of half or more shall be rounded up to the nearest higher integer. However, in no event, shall the number of new equity shares to be allotted by the Transferee Company to the members of Transferor Company exceed the number of equity shares held by the Transferor Company in the Transferee Company on the effective date.
- 19.7. The approval of this Scheme by the equity shareholders of both the companies under Sections 230 to 232 of the Act shall be deemed to have the approval under sections 13 and 14 of the Companies Act, 2013 and other applicable provisions of the Act and any other consents and approvals required in this regard.

20. ACCOUNTING TREATMENT

- 20.1. Amalgamation of the Residual Transferor Company with the Transferee Company would be accounted in the books of the Transferee Company for by way of as per the IndAS 103 (Accounting for Business Combinations) and any other relevant Indian Accounting Standard prescribed under Section 133 of the Companies Act, 2013.

21. INCREASE IN AUTHORISED SHARE CAPITAL OF THE TRANSFEE COMPANY

- 21.1. Upon the Scheme being finally effective, the Authorised Capital of the Residual Transferor Company will get merged with that of the Transferee Company without payment of additional fees and duties as the said fees have already been paid and the Authorised Capital of the Transferee Company will be increased to that effect without any compliances in respect of the notices, meetings etc. but only by filing requisite statutory forms with the Registrar of Companies.
- 21.2. Thus, on the Scheme becoming effective the capital clause of the Transferee Company will read as follows:

"Clause V

a) The Authorised Share Capital of the Company is Rs. 97,67,50,000 comprising of 10,42,50,000 (Ten Crores Forty Two Lakhs Fifty Thousand) Equity Shares of Rs. 5 each and 4,55,50,000 (Four Crore Fifty Five Lakhs Fifty Thousand) Redeemable Preference Shares of Rs. 10/- (Rupees Ten only) each with the rights, privileges and conditions attaching thereto as provided in the Articles of Association of the company for the time being. The Company shall have the power to increase or reduce the capital of the Company and to divide the shares in the capital into two classes and to attach to respectively such preferential, qualified or special rights, privileges or conditions as may be determine by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company

22. CONDUCT OF BUSINESS

- 22.1. Residual Transferor Company as Trustee



- a. With effect from the Appointed Date and up to and including Effective Date, the Residual Transferor Company shall carry on and shall be deemed to have carried on all their business and activities as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the Residual Transferor Company on account of and for the benefit of and in trust for, the Transferee Company, as the transferee company is taking over the business as going concern. The Residual Transferor Company shall preserve and carry on their business and activities with reasonable diligence and business prudence and shall neither undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for themselves or on behalf of any third parties, sell, transfer, alienate, charge, mortgage or encumber or deal with the assets of the Residual Transferor Company or any part thereof save and except in the ordinary course of business as carried on by them as on the date of filing of this Scheme with the NCLT or if written consent of the Transferee Company has been obtained.

22.2. Profit or Losses up to Effective Date

- a. With effect from the Appointed Date and upto and including the Effective Date, all profits or incomes accruing or arising to the Residual Transferor Company or all expenditure or losses incurred or arising, as the case may be, by the Residual Transferor Company shall, for all purposes, be treated and deemed to be and accrue as the profits or incomes or expenditures or losses, as the case may be, of the Transferee Company.

22.3. Taxes

- a. All taxes paid or payable by the Residual Transferor Company in respect of the operations and / or profits of the business before the Appointed Date and from the appointed date till the Effective Date, shall be on account of the Residual Transferor Company and in so far as it relates to the tax payment by the Residual Transferor Company in respect of the profits or activities or operation of the business 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.
- b. Any refund under Income Tax Act, 1961 or other applicable laws or regulations dealing with taxes allocable or related to the business of the Residual Transferor Company and due to the Residual Transferor Company consequent to the assessment made on the Residual Transferor Company shall also belong to and be received by the Transferee Company
- c. All taxes benefits of any nature, duties, cesses or any other like payments or deductions available to Residual Transferor Company under Income Tax, Sales Tax, Value Added Tax, Service Tax etc. or any Tax deduction/Collections at Source, MAT Credit, tax credits, benefits of CENVAT credits, benefits of input credits up to the Effective Date shall be deemed to have been on account of or paid by the Transferee Company and the relevant authorities shall be bound to transfer to the account of and give credit for the same to Transferee company upon the passing of the order by the NCLT.

23. CANCELTION OF INTER-SE INVESTMENT BETWEEN THE TRANSFEROR COMPANY AND THE TRANSFEE COMPANY



- 23.1. On the scheme becoming effective, the investment of equity shares held by the Transferor Company in the Transferee Company shall stand cancelled. Accordingly, the share capital of the Transferee Company shall stand reduced to the extent of face value of shares held by the Transferor Company in the Transferee Company and such reduction shall be adjusted against the balance of Capital Reserve created pursuant to clause 20 above.
- 23.2. Pursuant to the Scheme becoming effective, the investment in the Transferee Company held by the Transferor Company shall be adjusted against the balance in capital reserve appearing in the books of the Transferee Company prior to the Scheme becoming effective and the balance, if any, shall further be adjusted against the balance in capital redemption reserve appearing in the books of the Transferee Company prior to the Scheme becoming effective.
- 23.3. The adjustment against the capital reserve and/ or capital redemption reserve, as per Clause 23.1 and 23.2 above, shall be effected as an integral part of the scheme and the orders of the NCLT sanctioning the scheme shall be deemed to be an order under section 66 of the Act confirming the reduction and no separate sanction under section 66 of the Act will be necessary.
- 23.4. Notwithstanding the reduction of capital of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name.

24. ENFORCEMENT OF CONTRACTS, DEEDS, BONDS & OTHER INSTRUMENTS:

- 24.1. Subject to other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatever nature to which the Residual Transferor Company is a party subsisting or having effect immediately before the Amalgamation, shall remain in full force and effect against or, as the case may be, in favour of the Transferee Company and may be enforced as fully and effectively as if instead of the Residual Transferor Company, the Transferee Company was a party thereto. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that amalgamation and vesting of the Residual Transferor Company 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 law or otherwise, take such actions and execute such deeds, confirmations or other writings or arrangements to which the Residual Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Residual Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Residual Transferor Company to be carried out or performed.
- 24.2. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Residual Transferor Company shall stand transferred to the Transferee Company and the Transferee Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall receive relevant approvals from the Government Authorities concerned as may be necessary in this behalf.



25. MATTERS RELATING TO SHARE CERTIFICATES:

- 25.1. The Share Certificates held by the Shareholders of the Residual Transferor Company shall automatically stand cancelled without any necessity of them being surrendered to the Transferee Company.

PART IV - GENERAL TERMS AND CONDITIONS

26. APPLICATION TO NCLT

- 26.1. Necessary applications and / or petitions by the Demerged Company / Residual Transferor Company, Resulting Company and the Transferee Company shall be made for the sanction of the Composite Scheme of Arrangement to the NCLT, for sanctioning of this Scheme under the provisions of law and obtain all approvals as may be required under the law.

27. MODIFICATION OR AMENDMENTS TO THE SCHEME

- 27.1. Subject to approval of NCLT, the respective Boards or the respective authorized representative appointed by the Board of the Demerged Company / Residual Transferor Company, Resulting Company and the Transferee Company may assent to any modifications, alterations or amendments of this Scheme or any conditions which the NCLT and / or any other competent authority may deem fit to direct or impose and the said respective Boards and after dissolution of the Demerged Company / Residual Transferor Company, the Board of the Resulting Company and Transferee Company may do all such acts, things and deeds necessary in connection with or to carry out the Scheme into effect and take such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any order of the NCLT or any directions or order of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and / or matters concerned or connected therewith.
- 27.2. The Demerged Company / Residual Transferor Company, Resulting Company and the Transferee Company may withdraw this Scheme prior to the Effective Date at any time.

28. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

The Scheme is conditional upon and subject to:

- 28.1. The approval by the requisite majorities of the respective members of the Demerged Company / Residual Transferor Company, Resulting Company and the Transferee Company, as required under the Act and directed by the NCLT.
- 28.2. The Scheme being approved by a shareholders' resolution of the Transferee Company passed by way of postal ballot/e-voting in terms of Para I(A)(9) of Annexure 1 of the SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 and other SEBI guidelines, as may be amended from time to time wherein presently the Scheme shall be acted upon only if the votes cast by the public shareholders in favor of the proposal are more than the number of votes cast by the public shareholders against it.
- 28.3. The sanction or approval of the authorities concerned being obtained and granted in respect of any of the matters for which such sanction or approval being required.



- 28.4. The sanction of the Scheme by the NCLT under Sections 230 to 232 of the Act and other applicable provisions of the Act.
- 28.5. The requisite orders of the NCLT being obtained for sanctioning the Scheme under Section 230 read with Section 232 of the Act being filed with the concerned Registrar of Companies.

29. OPERATIVE DATE OF THE SCHEME

- 29.1. The Scheme, although operative from the Appointed Date, shall become effective from the Effective Date.

30. BINDING EFFECT

- 30.1. Upon the Scheme becoming effective, the same shall be binding on the Demerged Company / Residual Transferor Company, Resulting Company and the Transferee Company and all concerned parties without any further act, deed, matter or thing.

31. EFFECT OF NON-RECEIPT OF APPROVALS

- 31.1. In the event any of the said approvals or sanctions referred to above not being obtained or conditions enumerated in the Scheme not being complied with, or for any other reason, the Scheme cannot be implemented, the Boards of Directors or committee empowered thereof of the Demerged Company / Residual Transferor Company, Resulting Company and the Transferee 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, the Scheme shall become null and void and shall stand revoked, cancelled and be of no effect and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

32. GIVING EFFECT TO THE SCHEME

For the purpose of giving effect to the Scheme, the Board of Directors of the Demerged Company / Residual Transferor Company, Resulting Company and the Transferee Company or any Committee thereof, is authorized to give such directions as may be necessary or desirable and to settle as they may deem fit, any question, doubt or difficulty that may arise in connection with or in the working of the Scheme and to do all acts, deeds and things necessary for carrying into effect the Scheme.

33. DISSOLUTION OF THE RESIDUAL TRANSFEROR COMPANY

- 33.1. Upon the Scheme being sanctioned by an Order made by the NCLT under Sections 230 to 232 of the Act, the Residual Transferor Company shall stand dissolved without winding up on the Effective Date.

34. COSTS

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

