SCHEME OF AMALGAMATION

BY AND AMONG

DATAMATICS DIGITAL LIMITED : THE TRANSFEROR COMPANY

WITH AND INTO

DATAMATICS GLOBAL SERVICES LIMITED : THE TRANSFEREE COMPANY

AND THEIR RESPECTIVE SHAREHOLDERS

UNDER SECTIONS 230 TO 232 OR OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AS MAY BE APPLICABLE AND RULES FRAMED THEREUNDER

Datamatics Digital Limited

DATAMATICS GLOBAL SERVICES LIMITED MUMBAI

PREAMBLE

(A) PURPOSE OF THE SCHEME

1. This Scheme of Amalgamation is presented *inter alia* for the merger by way of absorption of Datamatics Digital Limited ("the Transferor Company" or "DDL") with and into Datamatics Global Services Limited ("the Transferee Company" or "DGSL"), pursuant to Section 230 to 232 and other relevant provisions of the Companies Act, 2013 and the rules made thereunder.

2. This Scheme seeks to amalgamate and consolidate the business of DDL with that of DGSL, being 100% holding Company of DDL. The Board of Directors of DDL and DGSL (together referred to as "the Amalgamating Companies") have resolved that the merger by way of absorption of DDL with and into DGSL would be in the interests of all the stakeholders of the Amalgamating Companies, as it would result in increased operational efficiencies, bring economies of scale and result in synergetic integration of businesses presently being carried on by the Amalgamating Companies.

3. As on 13th May, 2019, DGSL holds the entire share capital of DDL.

4. This Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

(B) DESCRIPTION OF AMALGAMATING COMPANIES

1. The Transferor Company:

Datamatics Digital Limited ("Transferor Company" or "DDL") was incorporated as a private limited company in the state of Karnataka on 27th December, 2005 as 'Techjini Solutions Private Limited'. The name of the Transferor Company was changed to 'Datamatics Digital Private Limited' on 22nd September 2017. The members of the Transferor Company passed a resolution on 6th October, 2017 to convert the status of the Company from private limited to public limited company. By a certificate dated 15th November, 2017, name of the Transferor Company was changed to 'Datamatics Digital Limited'. Thereafter vide certificate dated 18th May, 2018, registered office of the Transferor Company was shifted to the state of Maharashtra. The Transferor Company is engaged in the business of software development services in India and overseas. It has its Corporate Identity Number as U72200MH2005PLC309621. The Registered Office is situated at Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri East, Mumbai - 400093 and having PAN AACCT3596M and Email ID of its authorised representative is divya.kumat@datamatics.com.

Datamatics Digital Limited

DATAMATICS GLOBAL SERVICES LIMITED MUMBAI

2. The Transferee Company:

Datamatics Global Services Limited ("Transferee Company" or "DGSL"), 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.

The Transferee Company 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 and has a strong presence in India as well as overseas.

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. The Transferee Company is listed on the stock exchange(s) viz. NSE and BSE.

(C) RATIONALE FOR THE SCHEME

1. The Transferee Company owns entire share capital in the Transferor Company.
2. The Transferee Company 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 and has a strong presence in India as well as overseas.
3. The Transferor Company is engaged in the business of software development services in India and overseas.
4. The businesses carried on by the Transferee Company and the Transferor Company can be integrated into one business and can provide benefits to the shareholders / stakeholders as under:
   i. Reduction in the management overlaps due to operation of the multiple entities and more focused leadership;
   ii. Reduction in multiplicity of legal and regulatory compliances, reduction in overheads, including administrative, managerial and other costs amongst all;
   iii. Synergy benefits, such as, competitive edge, enhancement of net-worth of the combined business to capitalize on future growth potential and would in turn

Datamatics Digital Limited

DATAMATICS GLOBAL SERVICES LIMITED MUMBAI

significantly help in efficient utilization of financial and operational resources and facilities of the Transferor Company;

iv. Consolidating and streamlining the financial and operational resources for a better and more efficient usage as the integration would result in greater financial strength and flexibility for the Transferee Company, which would result in maximizing overall shareholder value, and will improve the competitive position of the combined entity;

v. Consolidation and simplification of DGSL Group structure and reduction of administrative costs at DGSL Group level.

The Scheme is in the interest of the shareholders, creditors, lenders and various other stakeholders of the respective companies. It is not prejudicial to the interests of shareholders, creditors, lenders and various other stakeholders of the respective companies.

(D) PARTS OF THE SCHEME

The Scheme is divided into the following parts:

(a) PART 1 deals with the Definitions and Share Capital;

(b) PART 2 deals with the merger of DDL with DGSL; and

(c) PART 3 deal with the General Clauses, Terms and Conditions,

(E) TREATMENT OF THE SCHEME FOR THE PURPOSES OF INCOME TAX ACT, 1961

The provisions of this Scheme have been drawn up to comply with the conditions relating to "Amalgamation" as defined under section 2(1B) of the Income Tax Act, 1961. If, at a later date, any of the terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of section 2(1B) of the Income Tax Act, 1961, including as a result of an amendment of law or enactment of new legislation or any other reason whatsoever, the provisions of section 2(1B) of the Income Tax Act, 1961, or a corresponding provisions of any amended or newly enacted law, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with section 2(1B) of the Income Tax Act, 1961. Such modifications will, however, not affect the other provisions of the Scheme.

Datamatics Digital Limited

DATAMATICS GLOBAL SERVICES LIMITED MUMBAI

PART 1

DEFINITIONS AND SHARE CAPITAL

1.1. DEFINITIONS

In this Scheme of Amalgamation (as defined hereunder), unless inconsistent with the subject or context, the following expressions shall have the following meaning:

1.1.1. **"Act" or "The 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.

1.1.2. **"Amalgamation" or "Merger"** means amalgamation/merger of DDL with and into DGSL in accordance with provisions of Section 2(1B) of the Income Tax Act, 1961;

1.1.3. **"Appointed Date"** means 1st June, 2019 or such other date as may be approved by NCLT or any other competent authority for the purposes of merger of DDL with DGSL;

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

1.1.5. **"DDL" or "Transferor Company"** means Datamatics Digital Limited having its Corporate Identity Number as U72200MH2005PLC309621. The Registered Office is situated at Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri East, Mumbai - 400093 and having PAN AACCT3596M and Email ID of its authorised representative is divya.kumat@datamatics.com.

1.1.6. **"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 of its authorised representative is divya.kumat@datamatics.com.

1.1.7. **"Effective Date"** means the last of the dates on which the conditions specified in Clause 3.3 are complied with. 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.

1.1.8. **"Encumbrance"** means any options, pledge, mortgage, lien, security, interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other

Datamatics Digital Limited

DATAMATICS GLOBAL SERVICES LIMITED MUMBAI

encumbrance of any kind or nature whatsoever, and the term "Encumbered" shall be construed accordingly.

1.1.9. **"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.

1.1.10. **"Scheme"** or **"the Scheme"** or **"this Scheme"** means this Scheme of Amalgamation as amended or modified in its present form as submitted to the National Company Law Tribunal at Mumbai Bench or this Scheme with such modification(s), if any made, as per Clause 3.2 of the Scheme;

1.1.11. **"Stock Exchanges"** means BSE Limited and National Stock Exchange of India Limited.;

1.1.12. **"Taxation"** or **"Tax"** or **"Taxes"** means all forms of taxes and statutory, governmental, state, provincial, local government or municipal impositions, duties, contribution and levies and whether levied by reference to income, profit, book profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, advance tax, minimum alternate tax or otherwise or attributable directly or primarily to Transferor Companyand Transferee Company, as the case may be or any other person and all penalties , charges, costs and interest relating thereto;

1.1.13. **"Tax Laws"** means all the applicable laws, acts, rules and regulations dealing with Taxes including but not limited to 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 of similar nature;

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

1.1.15. **"Tribunal"** or **"NCLT"** means the National Company Law Tribunal, Mumbai Bench;

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.

Datamatics Digital Limited

DATAMATICS GLOBAL SERVICES LIMITED MUMBAI

1.2. SHARE CAPITAL

1.2.1. The authorized, issued, subscribed and paid-up share capital of the Transferor Company as on October 1, 2019 is as under:

Share Capital	Amount (in Rupees)
Authorized Share Capital	
60,00,000 Equity Shares of Re. 1 each	60,00,000
Total	**60,00,000**
Issued, subscribed and paid-up Share Capital	
55,00,000 Equity Shares of Re. 1 each	55,00,000
Total	**55,00,000**

Subsequent to October 1, 2019, and till the date of the Scheme being approved by the Board of Directors of Transferor Company, there has been no change in the authorized, issued, subscribed and paid-up share capital of Transferor Company.

1.2.2. The authorized, issued, subscribed and paid-up share capital of the Transferee Company as on October 1, 2019is as under:

Share Capital	Amount (in Rupees)
Authorized Share Capital	
10,40,00,000 Equity Shares of Rs. 5 each	52,00,00,000
4,55,50,000 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
TOTAL	**29,47,46,685**

Subsequent to October 1, 2019, and till the date of the Scheme being approved by the Board of Directors of the Transferee Company, there has been no change in the authorized, issued, subscribed and paid-up share capital of the Transferee Company.

The entire share capital of the Transferor Company is held by the Transferee Company.

1.3. DATE OF TAKING EFFECT AND OPERATIVE DATE

1.3.1. 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 Clauses 1.1.3 and 1.1.7 mentioned above.

1.3.2. Any references in the Scheme to **'upon the Scheme becoming effective'** or **'effectiveness of the Scheme'** or **'upon coming into effect of this Scheme'** shall mean the Effective Date.

Datamatics Digital Limited

DATAMATICS GLOBAL SERVICES LIMITED MUMBAI

PART 2

AMALGAMATION AND VESTING OF DATAMATICS DIGITAL LIMITED INTO DATAMATICS GLOBAL SERVICES LIMITED

2.1 AMALGAMATION AND VESTING OF ASSETS AND LIABILITIES OF TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

2.1.1 With effect from the Appointed Date and upon the Scheme becoming effective, the Transferor Company as a going concern, along with all assets, liabilities, contracts, employees, licences, records, approvals, etc. being integral parts of the Transferor Company shall, without any further act, instrument or deed, stand amalgamated with and be vested in or be deemed to have been 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.

2.1.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon this Scheme becoming effective and with effect from the Appointed Date:

a) All its properties and assets of Transferor Company, 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 any Tax Laws, incentives, if any, without any further act or deed so as to become the business, properties and assets of the Transferee Company.

b) All the movable assets of Transferor Company 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 Transferee Company and intent that the property therein passes to the Transferee 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 Transferee Company accordingly.

c) All other movable properties of the Transferor Company, including investments in shares of the subsidiaries of the Transferor Company, mutual funds, bonds and any other securities, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, pursuant to the orders of this Scheme becoming effective and by

operation of law become the properties of the Transferee Company, and the title thereof together with all rights, interests or obligations therein shall be deemed to have been mutated and recorded as that of the Transferee company. All investments of the Transferor Company shall be recorded in the name of the Transferee Company by operation of law as transmission in favour of the Transferee Company as a successor in interest and any documents of title in the name of the Transferor Company shall also be deemed to have been mutated and recorded in the name of the Transferee Company to the same extent and manner as originally held by the Transferor Company and enabling the ownership, right, title and interest therein as if the Transferee Company was originally the Transferor Company. The Transferee Company shall subsequent to this Scheme becoming effective be entitled to the delivery and possession of all documents of title of such movable property in this regard;

d) All the consents, permissions, licenses, certificates, insurance covers, clearances, authorities, power of attorneys given by, issued to or executed in favour of the Transferor Company, shall stand vested in or transferred automatically to the Transferee Company without any further act or deed and shall be appropriately mutated by the authorities concerned therewith in favour of the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company and Transferee 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 Transferee Company. The benefit of all statutory and regulatory permissions including the statutory or other licenses, Tax registrations, permits, permissions or approvals or consents required to carry on the operations of the Transferor Company shall automatically and without any other order to this effect, vest into and become available to the Transferee Company pursuant to this Scheme becoming effective in accordance with the terms thereof.

e) All debts, liabilities, contingent liabilities, duties, Taxes (including any advance taxes paid, TDS deducted on behalf of the Transferor Company, etc.), GST liabilities, and obligations of the Transferor Company, as on the Appointed Date, whether provided for or not, in the books of accounts of the Transferor Company, and all other liabilities which may accrue or arise after the Appointed Date but which relates to the Transition period, shall, pursuant to this Scheme becoming effective as per 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 Transferee Company, so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, Taxes, duties and obligations of

DATAMATICS GLOBAL SERVICES LIMITED MUMBAI

Datamatics Digital Limited

the Transferee Company on the same terms and conditions as were applicable to the Transferor Company.

f) the Transferee 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 Transferor 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.

g) In so far as loans and borrowings of the Transferor Company pertaining to the loans and liabilities, which are to be vested to the Transferee Company shall, without any further act or deed, become loans and borrowings of the Transferee 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 Transferee 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 Transferee 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 Transferee Company may discharge such liability (including accretions thereto) by making payments on the respective due dates to the Transferor Company, which in turn shall make payments to the respective creditors.

h) The vesting of the assets comprised in Transferor Company to the Transferee Company under this Scheme shall be subject to the mortgages and charges, if any, affecting the same as hereinafter provided.

i. The existing securities, mortgages, charges, encumbrances or liens or those, if any, created by the Transferor Company after the Appointed Date and during the Transition period, in terms of this Scheme, over the assets comprised in the Transferor Company, or any part thereof, shall be vested in the Transferee 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 Transferee Company, and such Encumbrances shall not relate or attach to any of the other assets, of the Transferor Company.

ii. In so far as the existing Encumbrances, 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 the

Datamatics Digital Limited

DATAMATICS GLOBAL SERVICES LIMITED MUMBAI

Transferor Company which have been Encumbered in respect of the transferred liabilities as transferred to the Transferee Company pursuant to this Scheme. Provided that if any of the assets comprised in Transferor Company which are being transferred to the Transferee 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.

iii. In so far as the existing security in respect of the loans or borrowings of the Transferor Company and other liabilities relating to the Transferor Company are concerned, such security shall, without any further act, instrument or deed be continued with the Transferor Company. The Transferor Company and the Transferee 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.

iv. The foregoing provisions insofar as they relate to the vesting of liabilities with the Transferee 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.

i) 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 Transferor Company is a party, or the benefit to which the Transferor 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 Transferee Company and may be enforced fully and effectively as if instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto so as to continuation of operations of the Transferor Company by the Transferee Company without any hindrance or disruption after the Transition period. The Transferee Company shall enter into and/or issue and/or execute deeds, writings, endorsements or confirmation or enter into any tripartite agreement, confirmations or novation's to which Transferor 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 Transferee

DATAMATICS GLOBAL SERVICES LIMITED MUMBAI

Datamatics Digital Limited

Company shall be deemed to be authorized to execute any such deeds, writings, endorsements or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme. In case a question arises as to whether a specific asset or liability or contracts or employee, pertains or does not pertain to Transferor Company or whether it arises out of the activities or operations of Transferor Company shall be decided by the Board of the Transferor 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.

j) 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 Transferor Company shall stand vested in and/or be deemed to have been vested in the Transferee Company together with all benefits, entitlements and incentives of any nature whatsoever. Such entitlements shall include Taxes and benefits under the Tax Laws in the nature of exemption, deferment, refunds and incentives in relation to Transferor Company to be claimed by the Transferee Company with effect from the Appointed Date as if the Transferee Company were originally entitled to all such benefits under such incentive scheme and/or policies, subject to continued compliance by the Transferee Company of all the terms and conditions subject to which the benefits under such incentive schemes were made available to the Transferor Company. The Transferee Company shall be entitled to such benefits in its name, without any additional liabilities or expenses whatsoever.

k) Taxes as per the Tax Laws of the Transferor Company to the extent not provided for or covered by the Tax provision in the accounts made as on the date immediately preceding the Appointed Date related to Transferor Company shall be vested with the Transferee Company.

l) All Taxes paid or payable by the Transferor Company in respect of the operations and/ or the profits of Transferor Company before the Appointed Date shall be on account of the Transferor Company and in so far as it relates to the Tax payment whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operations of Transferor Company 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.

m) On and from the Appointed Date, if any Certificate for Tax Deducted at Source or any other tax credit certificate relating to Transferor Company is received in

the name of the Transferor Company, it shall be deemed to have been received by the Transferee Company, which alone shall be entitled to claim credit for such tax deducted or paid.

n) Upon the Scheme becoming effective, Transferor Company shall have right to revise their respective returns filed under Tax Laws. along with prescribed forms, filings and annexures under the Tax Laws and claim refunds and / or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of the Scheme;

o) On and from the Appointed Date, the benefit of all balances relating to Taxes under the Tax Laws being balances pertaining to theTransferor Company, if any, shall stand vested in the Transferee Company as if the transaction giving rise to the said balance or credit was a transaction carried out by the Transferee Company. The liabilities of Transferor Company as on the Appointed Date shall stand vested in the Transferee Company, save as otherwise in respect of the liabilities which were met by the Transferor Company during the Transition period, which shall be construed to have been met by the Transferee Company as if the transaction giving rise to the said liability was a transaction carried out by the Transferee Company.

p) 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 Transferor Company, to which the Transferor Company is a party or to the benefit of which the Transferor 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 Transferee Company and may be enforced as fully and effectually as if instead of the Transferor Company, the Transferee 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 Transferor Company, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Appointed Date, shall be on account of the Transferor Company and after the Appointed Date, the same shall be on account of the Transferee Company and shall, in all proceedings, be dealt with accordingly.

q) On and from the Effective Date, and till such time that the name of the bank accounts of the Transferor Company has been replaced with that of the Transferee Company, Transferee Company shall be entitled to maintain and

operate the bank accounts of the Transferor Company in the name of the Transferor Company and for such time as may be determined to be necessary by the Transferee Company. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of Transferor Company after the Effective Date shall be accepted by the bankers of Transferee Company and credited to the account of Transferee Company, is presented by the Transferee Company;

r) It is hereby clarified that the vesting of Transferor Company in the Transferee Company shall be on a going concern basis.

2.2 STAFF & EMPLOYEES

2.2.1 Upon the Scheme coming into effect, all staff and employees of the Transferor Company in service (including but not limited to permanent, temporary or contractual) immediately preceding the Effective Date shall be deemed to have become staff and employees of the Transferee 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 Transferee Company shall not be less favorable than those applicable to them in the Transferor Company immediately preceding the transfer.

2.2.2 The equitable interest in accounts/funds of the employees and staff, if any, whose services are vested with the Transferee Company, relating to superannuation, provident fund and gratuity fund, if any, shall be identified, determined and vested with the respective trusts/funds of the Transferee Company and such employees shall be deemed to have become members of such trusts/funds of Transferee Company. Until such time, the Transferor Company may, subject to necessary approvals and permissions, if any, continue to make contributions pertaining to the employees of the Transferor Company to the relevant funds of the Transferor Company.

2.2.3 The Transferee 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 Transferor Company to which any of the Transferor Company is a party in order to give formal effect to the provisions of the 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 Transferor Company and to carry out or perform all such formalities or compliances, referred to above, on behalf of the Transferor Company.

Datamatics Digital Limited

DATAMATICS GLOBAL SERVICES LIMITED MUMBAI

2.3 LEGAL PROCEEDINGS

2.3.1 If any suit, appeal or other legal proceedings of whatsoever nature by or against the Transferor Company is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the amalgamation 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 Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made. In the event that the legal proceedings referred to herein require the Transferor Company and the Transferee Company to be jointly treated as parties thereto, Transferee Company shall be added as party to such proceedings and shall prosecute and defend such proceedings in co-operation with the Transferor Company.

2.3.2 The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company referred to above transferred into its name and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of Transferor Company.

2.3.3 After the Effective Date, the Transferee Company shall and may, if required, initiate any legal proceedings in relation to the Transferor Company.

2.4 AMALGAMATION NOT TO AFFECT TRANSACTIONS / CONTRACTS OF TRANSFEROR COMPANY:

2.4.1 The amalgamation of 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 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 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.

2.5 CONSIDERATION

2.5.1 The entire share capital of the Transferor Company is beneficially held by the Transferee Company. In other words, the Transferor Company is a wholly owned subsidiary Company of the Transferee Company. Accordingly, pursuant to this Scheme, no shares of the Transferee Company shall be issued and allotted in respect of shares held by it in the Transferor Company. Upon the Scheme becoming effective, the entire share capital of

Datamatics Digital Limited

DATAMATICS GLOBAL SERVICES LIMITED MUMBAI

the Transferor Company shall be cancelled and extinguished without any further act, deed or instruments as an integral part of this Scheme.

2.5.2 The investment in the shares of the Transferor Company appearing in the books of account of the Transferee Company shall, without any further act, deed or instrument, stand cancelled.

2.6 ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEREE COMPANY

2.6.1 With effect from the Appointed Date and subject to the provisions hereof and such other corrections and adjustments as may, in the opinion of the Board of Directors of the Transferee Company be required and except to the extent required by the law, all the assets and liabilities of the Transferor Company transferred to the Transferee Company pursuant to this Scheme shall be recorded in the books of the Transferee Company at the book values as recorded in the books of the Transferor Company.

2.6.2 The cost of investment made in the Transferor Company as recorded in the books of Transferee Company shall get cancelled.

2.6.3 The difference between the book values of all assets and liabilities as mentioned in clause 2.6.1 above and the cost of investment in the booksof Transferee Company as mentioned in clause 2.6.2 above, shall be reflected as Capital Reserve /Goodwill, as the case may be.

2.6.4 In case of any difference in the accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in the Reserves to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

2.7 INCREASE AND REORGANISATION IN AUTHORISED SHARE CAPITAL OF TRANSFEREE COMPANY

2.7.1 Upon Scheme becoming effective, current authorized share capital of Transferor Company which is INR 60,00,000/- (Rupees Sixty Lakhs Only) comprising of 60,00,000 Equity Shares of INR 1/- each shall be consolidated with the authorized share capital of Transferee Company, which is INR 97,55,00,000/- (Rupees Ninety Seven Crores Fifty Five Lakhs Only) comprising of 10,40,00,000 Equity Shares of INR 5/- each amounting to INR 52,00,00,000 (Rupees Fifty Two Crores Only) and 4,55,50,000 redeemable preference shares of INR 10 each amounting to INR 45,55,00,000/- (Rupees Forty Five Crores Fifty Five Lakhs Only) and the same shall automatically stand increased, without

Datamatics Digital Limited

DATAMATICS GLOBAL SERVICES LIMITED MUMBAI

any further act, instrument or deed on the part of Transferee Company including payment of stamp duty and fees payable to Registrar of Companies, without any compliances in respect of the notices, meetings, etc but only by filing requisite statutory forms and/or any other documents as required with the Registrar of Companies. The filing fee and stamp duty already paid by Transferor Company on its authorized share capital shall be deemed to have been so paid by Transferee Company on the combined authorized share capital and accordingly, Transferee Company shall not be required to pay any fee/stamp duty on the authorized share capital so increased.

2.7.2 Further, authorized share capital of Transferee Company upon the Scheme coming into effect shall be INR 98,15,00,000/- (Rupees Ninety Eight Crores Fifteen Lakhs Only) classified as 10,52,00,000 equity shares of INR 5 each amounting to INR 52,60,00,000 (Rupees Fifty Two Crores and Sixty Lakhs Only) and 4,55,50,000 preference shares of INR 10 each amounting to INR 45,55,00,000 /- (Rupees Forty Five Crores Fifty Five Lakhs Only).

2.7.3 Consequently, the corresponding capital clause in the Memorandum of Association / Articles of Association of Transferee Company, as applicable (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, to be read as follows:

2.7.4 "The authorized share capital of the company is INR 98,15,00,000/- (Rupees Ninety Eight Crores Fifteen Lakhs Only) divided into 10,52,00,000 equity shares of INR 5 each amounting to INR 52,60,00,000 (Rupees Fifty Two Crores and Sixty Lakhs Only) and 4,55,50,000 preference shares of INR 10 each amounting to INR 45,55,00,000 /- (Rupees Forty Five Crores Fifty Five Lakhs Only)."

2.7.5 For removal of doubts, it is clarified that the approval of the Scheme by the shareholders of Transferee Company under sections 230 to 232 of the Act shall be deemed to be the sufficient approval under sections 13, 14, 61 and 64 of the Act and no separate procedure shall be followed under the Act, except filing of requisite forms to give effect to the increase.

2.8 CONDUCT OF BUSINESS

2.8.1 Transferor Company as Trustee

a. With effect from the Appointed Date and up to and including Effective Date, the 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 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 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 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.

2.8.2 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 Transferor Company or all expenditure or losses incurred or arising, as the case may be, by the 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.

2.8.3 Taxes

a. All Taxes paid or payable by the 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 Transferor Company and in so far as it relates to the Tax payment by the 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 any Tax Laws dealing with Taxes allocable or related to the business of the Transferor Company and due to the Transferor Company consequent to the assessment made on the Transferor Company shall also belong to and be received by the Transferee Company.

c. All Tax benefits of any nature, duties, cesses or any other like payments or deductions available to Transferor Company under the Tax Laws or any Tax deduction/Collections at Source, MAT Credit, Tax credits, benefits of CENVAT credits, GST Input Tax 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.

2.9 CANCELLATION OF INTER-SE INVESTMENT BETWEEN THE TRANSFEROR COMPANY AND THE TRANSFEREE COMPANY

2.9.1 In so far as the Equity Shares of the Transferor Company held by the Transferee Company, if any, as on the Effective Date are concerned, such shares would also be cancelled.

2.9.2 Pursuant to the Scheme becoming effective, the investment in the Transferor Company held by the Transferee Company shall be adjusted against the combined Capital Reserve in accordance with accounting treatment provided in relation to the merger in this Scheme.

2.9.3 The adjustment against the Capital Reserve created pursuant to the merger, 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.

2.10 ENFORCEMENT OF CONTRACTS, DEEDS, BONDS & OTHER INSTRUMENTS:

2.10.1 Subject to other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatever nature to which the 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 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 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 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 Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.

Datamatics Digital Limited

DATAMATICS GLOBAL SERVICES LIMITED MUMBAI

2.10.2 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 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.

2.11 MATTERS RELATING TO SHARE CERTIFICATES:

2.11.1 The Share Certificates held by the Shareholders of the Transferor Company viz. Transferee Company and all the nominee shareholders holding shares of Transferor Company on behalf of the Transferee Company, shall automatically stand cancelled without any necessity of them being surrendered to the Transferee Company.

2.12 DISSOLUTION OF THE TRANSFEROR COMPANY

2.12.1 Upon the Scheme being sanctioned by an order made by the NCLT under Sections 230 to 232 of the Act and subject to the Effective Date, the Transferor Company shall stand dissolved without winding up on the Effective Date.

Datamatics Digital Limited

DATAMATICS GLOBAL SERVICES LIMITED MUMBAI

PART 3

GENERAL CLAUSES, TERMS AND CONDITIONS

3.1 APPLICATION TO NCLT

3.1.1 The Transferor Company and the Transferee Company shall as may be required make applications and/or petitions under Sections 230 to 232 of the Act and other applicable provisions of the Act to the NCLT at Mumbai Bench for sanction of this Scheme and all matters ancillary or incidental thereto.

3.2 MODIFICATION OR AMENDMENTS TO THE SCHEME

3.2.1 Subject to approval of NCLT, Mumbai Bench, the Transferor Company and the Transferee Company, by their respective Board of Directors may assent to any modifications/amendments to the Scheme or to any conditions or limitations that the NCLT and/or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors). The Transferor Company and the Transferee Company by their respective Board of Directors be and are hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

3.2.2 The Transferor Company and the Transferee Company may withdraw this Scheme prior to the Effective Date at any time.

3.3 CONDITIONALITY OF THE SCHEME

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

3.3.1 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the creditors (including but not limited to secured and unsecured) of the Transferor Company and the Transferee Company as may be directed by the NCLT at Mumbai Bench or any other competent authority, as may be applicable.

3.3.2 The Scheme being sanctioned by the NCLT, Mumbai Bench or any other authority under Sections 230 to 232 of the Act.

3.3.3 Certified copies of the Orders of the NCLT at Mumbai Bench sanctioning the Scheme being filed with the Registrar of Companies, Maharashtra, at Mumbai by the Transferor Company and the Transferee Company.

Datamatics Digital Limited

DATAMATICS GLOBAL SERVICES LIMITED MUMBAI

3.4 EFFECT OF NON-RECEIPT OF APPROVALS

3.4.1 In the event any of the approvals or conditions enumerated in Clause 3.3 of the Scheme not being obtained or complied with, or for any other reason, the Scheme cannot be implemented, the Board of Directors of the Transferee Company and the Transferor Company shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, or in case the Scheme is not sanctioned by NCLT, the Scheme shall become null and void and 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. In such an event, each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

3.4.2 Further, in the case of non-receipt of approvals to the Scheme, no rights and liabilities whatsoever shall accrue to or be incurred inter-se by the Transferor Company or Transferee Company or their shareholders or creditors or employees or any other person.

3.5 DECLARATION OF DIVIDEND, BONUS, ETC.

3.5.1 Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date but only in the ordinary course of business. Any declaration or payment of dividend otherwise than as aforesaid, by the Transferor Company and/or by the Transferee Company shall be subject to the prior approval of the Board of Directors of respective companies and in accordance with applicable laws. It is clarified that prior approval of any of the Board of the Directors shall not be required for payment of any dividend already announced or declared but yet to be paid, by either of the Transferor Company and / or the Transferee Company to its shareholders.

3.5.2 It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and / or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Transferor Company and / or the Transferee Company and subject, wherever necessary, to the approval of the shareholders of Transferor Company and / or the Transferee Company, respectively.

3.6 OPERATIVE DATE OF THE SCHEME

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

Datamatics Digital Limited

DATAMATICS GLOBAL SERVICES LIMITED MUMBAI

3.7 BINDING EFFECT

3.7.1 Upon the Scheme becoming effective, the same shall be binding on the Transferor Company and the Transferee Company and all concerned parties without any further act, deed, matter or thing.

3.8 COSTS, CHARGES & EXPENSES

3.8.1 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 Transferee Company.

3.9 GIVING EFFECT TO THE SCHEME

3.9.1 For the purpose of giving effect to the Scheme, the Board of Directors of the Transferor 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.

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