SPI TECHNOLOGIES INDIA PRIVATE LIMITED

(previously known as Lambda Content India Private Limited)
Regd. Off: R S No. 4/5 & 4/6, Gothi Industrial Estate Kurumbapet Puducherry Pondicherry PY 605009
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REPORT ADOPTED BY THE BOARD OF DIRECTORS OF SPI TECHNOLOGIES INDIA PRIVATE LIMITED IN THEIR MEETING HELD ON 27TH MARCH 2024 ON RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION OF SPI GLOBAL CONTENT MAURITIUS HOLDING ("TRANSFEROR COMPANY") WITH SPI TECHNOLOGIES INDIA PRIVATE LIMITED ("TRANSFEREE COMPANY") AND THEIR RESPECTIVE SHAREHOLDERS ("SCHEME")

A. **Background**:

1. Meeting of Board of Directors of SPI Technologies India Private Limited ('SPI India'/ 'Company') is being held on 27th March, 2024 to approve draft Scheme of Amalgamation of SPI Global Content Mauritius Holding ('the Transferor Company'/ 'SPI Mauritius') with SPI Technologies India Private Limited ('the Transferee Company') and their respective Shareholders ("Scheme") from appointed date April 01, 2024 as per provisions of section Sections 230 to 232 read with Section 234 and other applicable provisions of the Companies Act, 2013 ('Act') to the extent applicable and Sections 261 to 264 and other applicable provisions of the Mauritius Companies Act No.15 of 2001 and the rules and regulations made thereunder, as amended from time to time (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 59A and 94A of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations') and the Master Circular bearing no. SEBI/HO/DDHS/PoD1/P/CIR/2023/108 dated 29th July 2022 (updated as on 30th June, 2023) issued by the Securities and Exchange Board of India ('SEBI Circular'), as amended from time to time.

   Words and expressions, used in capitalized form but not defined in this report, shall have the meaning ascribed to them in the Scheme.

2. The Scheme is subject to approval of shareholders and creditors of the Companies involved and regulatory authorities i.e., BSE Limited, Securities and Exchange Board of India, Supreme Court of Mauritius, National Company Law Tribunal, Chennai and any other regulatory authorities as may be required.

3. As per SEBI Circular, the Company shall be required to submit report from Board of Directors of listed entity i.e., SPI Technologies India Private Limited recommending the draft scheme taking into consideration, inter-alia, the Valuation Report and ensuring that the scheme is not detrimental to the holders of the NCDs.

4. Accordingly, Board of Directors have considered following documents for preparing this report:
   - Draft Scheme of Amalgamation ('Scheme')
   - Valuation report from Registered Valuer, CA Harsh Chandrakant Ruparelia,
   - Fairness opinion on valuation of assets done by a registered valuer provided by Kunvarji Finstock Private Limited, Category I Merchant Banker registered with the SEBI, for the entities involved in the Scheme.
   - Statutory Auditors draft Certificate from B S R & Co. LLP (Firm Regn. No. 101248W/W-100022), confirming the compliance of the accounting treatment and that the merged entity (viz. SPI India) is capable of payment of interest and repayment of principal of its unsecured, redeemable, listed, rated, fully paid non-convertible debentures.

B. Rationale of the Scheme

The Transferor Company and Transferee Company believe that the following benefits will accrue, pursuant to the amalgamation of the Transferor Company into the Transferee Company:

a. Ensuring a streamlined group structure.
b. Significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the Transferor Company and the Transferee Company.
c. Rationalising cost by eliminating multiple record keeping and administrative functions.
d. Concentrated effort and focus by the management to grow the business by eliminating duplicative communication and burdensome co-ordination efforts across multiple entities and countries.

In view of the aforesaid, the Board of Directors of the Transferor Company and the Transferee Company have considered the Scheme, wherein all the assets and liabilities of the Transferor Company would be transferred and vested with and into the Transferee Company pursuant to Section 230 to 232 read with Section 234 and other relevant provisions of the Companies Act, 2013 and rules and regulations made thereof, to the extent applicable, the SEBI Circular and other applicable SEBI regulations / circulars / notifications / guidelines and Sections 261 to 264 and other applicable provisions of the Mauritius Companies Act No.15 of 2001.

C. Share Exchange Ratio

For the Scheme, the Valuation cum Share Exchange Ratio Report dated 26th March 2024 ("Valuation Report") was obtained from CA Harsh Chandrakant Ruparelia, an Independent Registered Valuer (IBBI Regd No. IBBI/RV/05/2019/11106), who recommended:

"38 (Thirty-Eight) Equity Shares of INR 100 each of the Transferee Company shall be issued and allotted as fully paid up to the equity shareholders of the Transferor Company i.e., SPI Global Content Holding Pte Ltd for every 10 (Ten) Ordinary Share of USD 1 each of their holding in the Transferor Company."

The aforesaid Share Exchange Ratio Report and the Fairness Opinion have been duly considered by the Board of the Company and they have come to the conclusion that share entitlement ratio is fair and reasonable.

D. Effect of the Scheme on the Promoter/Non-Promoter Shareholders of the Transferee Company

There is only one class of shareholders that is the equity shareholders. The equity share capital of the Company is held by the Transferor Company.

Upon coming into effect of the Scheme and in consideration of the aforementioned Scheme, the Transferee Company shall issue and allot equity shares to the shareholders of the Transferor Company whose names are recorded in the register of members, as a member of the Transferor Company on the Record Date, in terms of the above fair share exchange ratio.

The equity shares in the Transferee Company to be issued to the members of the Transferor Company shall be subject to the Scheme, and the Memorandum of Association and the Articles of Association of the Transferee Company and shall rank *Pari-passu* with the existing equity shares of the Transferee Company.

Upon the Scheme becoming effective, the Transferor Company, without any further act or deed, shall stand dissolved without being wound up and its name shall be struck off from the records of Registrar of Companies in Mauritius.

E. Effect of the Scheme on the Key Managerial Personnel (KMP) of the Transferee Company

The Transferee Company undertakes to continue to abide by the agreement/settlement if any entered into by the Transferee Company with any of its employees/ KMP, which is in force as on the Effective Date.

F. Impact of the Scheme on the holders of NCDs:

The Scheme envisages merger of the Transferor Company viz. SPI Mauritius into the Transferee Company viz. SPI India and consequently SPI India (being the NCD issuer) remains as the surviving entity. Accordingly, there will be no effect on the NCDs of SPI India or the debenture holders of SPI India as SPI India is the resultant entity and shall remain active after the present Scheme i.e., the NCDs issued by SPI India to its debenture holders, remain unimpacted by the present proposed Scheme.

G. Safeguards for the protection of holders of NCDs:

As detailed above in para-F., the holders of NCDs whose names are recorded in the relevant registers of the Transferee Company on 27th March 2024 shall continue holding the same number of NCDs in the Transferee Company on the same terms and conditions. Thus, even post the Scheme, the terms of the NCDs including the coupon rate, tenure, redemption price, quantum, and nature of security ISIN would remain unchanged.

Therefore, the Scheme will not have any adverse impact on the holders of the NCDs of the Transferee Company and thus adequately safeguards interests of the holders of the NCDs.

H. Exit offer to the dissenting holders of NCDs, if any:

The debenture holders of the Transferee Company will not be affected by the present Scheme, however, should the debenture holder wish to exit and surrender its debentures, the same will be permitted by the Transferee Company.

I. Recommendation of Board of Directors of SPI India:

Board of Directors considered all terms of the draft Scheme, and other relevant documents and on finding that the said Scheme is not detrimental to holders of NCDs, the Board of Directors have recommended draft Scheme of Amalgamation for favorable consideration to the Stock Exchange, Securities Exchange Board of India, NCLT and other appropriate authorities.

For **SPI Technologies India Private Limited**

KUPPUSAMY EZHIL ARASAN

Digitally signed by KUPPUSAMY EZHIL ARASAN

Kuppusamy Ezhil Arasan

Director and Chief Financial officer

DIN: 01869313

Date: 28th March 2024

Place: Pondicherry