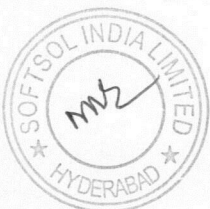


SCHEME OF ARRANGEMENT
UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013
BETWEEN
SOFTSOL INDIA LIMITED
AND
COVANCE SOFTSOL LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS
AND
THEIR RESPECTIVE CREDITORS



PART I
INTRODUCTION, DEFINITIONS AND INTERPRETATION

1. INTRODUCTION, DEFINITIONS AND INTERPRETATION

1.1. INTRODUCTION

1.1.1. SOFTSOL INDIA LIMITED

- (i) SOFTSOL INDIA LIMITED (hereinafter referred to as "SIL" or the "Demerged Company") is a public company incorporated under the Companies Act, 1956 on September 20, 1990. The registered office of the Demerged Company is situated at Plot No.4, Infocity, Madhapur, Hyderabad-500032, Telangana, India.
- (ii) The shares of the Demerged Company are, at present, listed on BSE Limited.
- (iii) The main objects of the Demerged Company as per its Memorandum of Association are as follows:
 - a) To carry on and provide consultancy services in the areas of computer management and engineering covering computerised information systems, feasibility studies, systems design and development computer based management information systems, on line real time systems, process control, distributed computing, data base design and implementation, operation systems, simulators, design of compilers, design and development, surveying and survey data systems, industrial engineering applications and all other related areas of computer technology and to establish, provide, maintain and conduct data processing facilities including provision of maintenance systems for mini micro and large computer systems and to act as dealers and/or agents for any computer or computer accessories manufactured in India and abroad and any software developed in India or abroad.
 - b) To develop software for various organisations, including Computer manufactures Government or Industry, hospitals and health oriented organisations, education oriented organisations and institutions business agencies of all types and all types of service oriented organisations, in India and abroad and to conduct training programmes and to undertake research studies in computer services and management.
 - c) To carry on the business of consultants advisers and / or technical experts on all matters and problems relating to systems integration, systems management manufacture of computer systems, process control systems. To analyse, collect, examine, consider, formulate, report and recommend all the means and /or methods for extending and /or developing and /or improving and/or promoting and / or managing any type of commerce, business or industry, organisation and methods, techniques and procedures. To consider and evaluate problems relating to manufacture, production, storage, distribution, finance, purchasing, marketing and sale and/ or relating to the rendering of any service, to render the above services to any person, firm, company, trust, Association, Institution, Society, body corporate, Government or Government Department, public or local authority, any other organisation whatsoever and to render all such other services as may be ancillary or incidental to any of the foregoing matters and problems.
 - d) To undertake, carry out, promote or assist studies, research and surveys in the designs, systems, methods, processes and all or any matters relating to the above fields including publishing and selling instruction manuals package programmes, applications and technical bulletins and colleting, preparing and providing information and statistics in connection therewith.



- e) To promote new industrial undertaking related to any of the above mentioned objectives.
 - f) To carry on the business of construction, development and maintenance of townships, houses, villas, apartments, other structures or premises for residential, commercial, educational or recreational purposes and also development of roads, bridges, infrastructural facilities or projects and also to take up all kinds of interior works, decorations, civil works and contracts, work contracts, infrastructure projects of any other person or organization including of Government. Also to act as and carry on activities as builders, contractors, sub-contractors, developers of land and structures, leasing of properties or spaces and architects. Also to undertake maintenance, upkeep and management of Properties. Also to carry on distribution, design, installation, sale, import, export, deal and maintenance of equipment related to green energy, water, wiring, security, electrical, HVAC, plumbing, escalators and other facilities and provisions used in projects similar to those listed above, both as integral to the above projects and also to carry on independently in the form of separate lines of business. And also to use modern technologies and solutions including use Artificial Intelligence (AI), Machine Learning, Internet of Things (IOT), and Cloud as applicable to disrupt and revolutionize the way such projects are done.
- (iv) The Demerged Company engaged in the business of information and technology services and Infrastructural facilities including leasing of properties or spaces.
- a) Software Business means services related software development and information technology.
 - b) Infrastructure Business means Development, holding of properties and facilities, providing infrastructural facilities including leasing of properties or spaces.

1.1.2. COVANCE SOFTSOL LIMITED

- (i) COVANCE SOFTSOL LIMITED (hereinafter referred to as "CSL" or the "Resulting Company") incorporated under the Companies Act, 2013 on August 11, 2023. The registered office of the Resulting Company is situated at Plot No.4, Infocity, Madhapur, Hyderabad-500032, Telangana, India.
- (ii) The shares of the Resulting Company are not listed on Stock Exchanges.
- (iii) The Main Objects of the Resulting Company are as follows:
 - (a) To carry on and provide consultancy services in the areas of computer management and engineering covering computerised information systems, feasibility studies, systems design and development computer based management information systems, on line real time systems, process control, distributed computing, data base design and implementation, operation systems, simulators, design of compilers, design and development, surveying and survey data systems, industrial engineering applications and all other related areas of computer technology and to establish, provide, maintain and conduct data processing facilities including provision of maintenance systems for mini micro and large computer systems and to act as dealers and/or agents for any computer or computer accessories manufactured in India and abroad and any software developed in India or abroad.
 - (b) To develop software for various organisations, including Computer manufactures Government or Industry, hospitals and health oriented organisations, education oriented organisations and institutions business agencies of all types and all types of service oriented organisations, in India and abroad and to conduct training programmes and to undertake research studies in computer services and management.
 - (c) To carry on the business of consultants advisers and / or technical experts on all matters and problems relating to systems integration, systems management manufacture of computer systems, process control systems. To analyse, collect, examine, consider, formulate, report and recommend



all the means and / or methods for extending and /or developing and /or improving and/or promoting and / or managing any type of commerce, business or industry, organisation and methods, techniques and procedures. To consider and evaluate problems relating to manufacture, production, storage, distribution, finance, purchasing, marketing and sale and/ or relating to the rendering of any service, to render the above services to any person, firm, company, trust, Association, Institution, Society, body corporate, Government or Government Department, public or local authority, any other organisation whatsoever and to render all such other services as may be ancillary or incidental to any of the foregoing matters and problems.

(d) To undertake, carry out, promote or assist studies, research and surveys in the designs, systems, methods, processes and all or any matters relating to the above fields including publishing and selling instruction manuals package programmes, applications and technical bulletins and collecting, preparing and providing information and statistics in connection therewith.

(e) To promote new industrial undertaking related to any of the above mentioned objectives.

(iv) The Resulting Company is the wholly owned subsidiary (WOS) of the Demerged Company.

1.1.3. OVERVIEW OF THE SCHEME

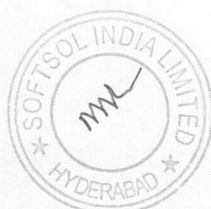
This Scheme of Arrangement amongst the Demerged Company and the Resulting Company and their respective shareholders and creditors (hereinafter referred as the "**Scheme**") is presented under Sections 230 to 232 and other applicable provisions of the Act (as defined hereinafter) for transfer and vesting of the Demerged Undertaking(as defined hereinafter) from the Demerged Company to the Resulting Company and other related matters. This Scheme provides for, simultaneously, the following:

- (i) demerger, transfer and vesting of the Demerged Undertaking from the Demerged Company into the Resulting Company on a going concern basis, and the consequent issue of equity shares by the Resulting Company to the shareholders of the Demerged Company pursuant to Sections 230 to 232 and other relevant provisions of the Act in the manner provided for in the Scheme and in compliance with Section 2(19AA) of IT Act (as defined hereinafter) as elaborated in Part IV of the Scheme;
- (ii) reduction and cancellation of the entire pre-scheme share capital of the Resulting Company; and
- (iii) various other matters consequential or otherwise integrally connected therewith.

1.1.4. RATIONALE OF THE SCHEME

The transfer and vesting of the Demerged Undertaking into the Resulting Company pursuant to this Scheme shall be in the interest of all concerned stakeholders including shareholders, customers, creditors, employees and general public, in the following ways:

- (i) At present, the Demerged Company has two distinct categories of assets and operations – (a) IT and software technology related business, and (b) Tangible assets and holdings including income generating real estate and investments. Both the businesses of the Demerged Company address different market segments with unique opportunities and dynamics in terms of business strategy, customer set, geographic focus, competition, capabilities set, talent needs and distinct capital requirements. The transfer of the Demerged Undertaking into the Resulting Company will enable each business to sharpen their focus and organize their activities and resources to improve their offerings to their respective customers. This would help to improve their competitiveness, operational efficiency, agility and strengthen their position in relevant markets resulting in more sustainable growth and competitive advantage.



- (ii) The demerger will enable dedicated management focus, resources and skill set allocation to each business, enhance business operations by streamlining operations more efficient management control and outlining independent growth strategies.
- (iii) Further, as the two businesses have separate growth trajectories, risk profile and capital requirement, the segregation of the Demerged Undertaking and the Infrastructure Business will enable independent value discovery and lead to unlocking of economic value for each business and result in shareholder value maximization.

The Scheme is in the interests of all stakeholders of the Demerged Company and the Resulting Company.

1.1.5. The Scheme is divided into five parts:

- a) **Part I** sets forth the introduction, Definitions and Interpretation
- b) **Part II** sets forth the Capital Structure of the Resulting Company and the Demerged Company;
- c) **Part III** deals with demerger, transfer and vesting of the Demerged Undertaking into the Resulting Company, in accordance with Sections 230 to 232 of the Act;
- d) **Part IV** deals with consideration, accounting and tax treatments in the Financial Statements of the Demerged Company and the Resulting Company pursuant to the transfer and vesting of the Demerged Undertaking into the Resulting Company in terms of this Scheme; and
- e) **Part V** deals with general/residuary terms and conditions.

1.2. DEFINITIONS

- 1.2.1. "Act"** means the Companies Act, 2013 and the rules made thereunder, and includes any alterations, modifications and amendments made thereto and/or any re-enactment thereof;
- 1.2.2. "Applicable Law(s)"** means any statute, law, regulation, ordinance, rule, judgment, order, decree, by-law, approval from the concerned authority; Governmental Authority resolution, order, directive, guideline, policy, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing, by any concerned authority having jurisdiction over the matter in question;
- 1.2.3. "Appointed Date"** means April 01, 2023 or such other date as may be approved by NCLT;
- 1.2.4. "Appropriate Authority"** means:
- (i) the government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, Tribunal, central bank, commission or other authority thereof;
 - (ii) any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, statutory, licensing, competition, Tax, importing, exporting or other governmental or quasi-governmental authority including without limitation, SEBI, RBI and the Tribunal;
and
 - (iii) BSE Limited.
- 1.2.5. "Board of Directors" / "Board"** in relation to the Demerged Company and/or the Resulting Company, as the case may be, shall, unless it be repugnant to the context or otherwise, include a committee of



directors or any person authorized by the Board of Directors or such committee as may be constituted by the Board of Directors;

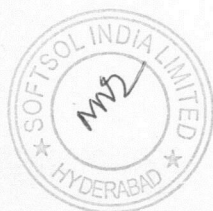
- 1.2.6. **"Clause"** and **"Sub-Clause"** means the relevant clauses and sub-clauses set out in this Scheme;
- 1.2.7. **"Software Business"** means the business of the Demerged Company as defined in Clause 1.1.1.(iv)(a);
- 1.2.8. **"Demerged Undertaking"** means the Demerged Company's business, activities and operations pertaining to the software business, and comprising of all the assets and liabilities, as described hereunder, as on the Appointed Date relating thereto;
- (i) all movable assets, title, interests, investments, goodwill, loans, deposits, receivables, advances and rights, including rights arising under contracts, wherever located in India or outside India (including in the possession of vendors, third parties or elsewhere), whether real, personal or mixed, tangible, intangible or contingent, exclusively used or held, by the Demerged Company in, or otherwise identified for use in, the Demerged Company's undertaking, business, activities and operations pertaining to the Software Business (collectively, "Assets");
 - (ii) all debts, liabilities, guarantees, assurances, commitments and obligations of any nature of description, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted; matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising, (including, without limitation, whether arising out of any statute, contract or tort based on negligence or strict liability), pertaining to the Demerged Company's undertaking, business, activities and operations pertaining to the Software Business (collectively, "Liabilities");
 - (iii) all existing and future contracts, agreements, request for proposal, bids, responses to invitation for expression of interest, leases, leave and licences, memoranda of undertakings, memoranda of agreements, arrangements, undertakings, whether written or otherwise, deeds, bonds, insurance policies, schemes, arrangements, sales orders, purchase orders or other instruments of whatsoever nature to which the Demerged Company is either a party or it may enter, exclusively relating to the Demerged Company's undertaking, business, activities and operations pertaining to the Software Business (collectively, "Contracts");
 - (iv) all registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names, including any derivatives and enhancements thereof, exclusively used by or held for use by the Demerged Company in the Demerged Company's undertaking, business, activities and operations pertaining to the Software Business including inter alia the copyrights and trademarks (collectively, "Intellectual Property");
 - (v) all permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights and any waiver of the foregoing issued by any legislative, executive or judicial unit of any Governmental Authority or semi-Governmental entity or any department, commission, board, agency, bureau, official or other regulatory, administrative or judicial authority exclusively used or held for use by the Demerged Company in the Demerged Company's undertaking, business, activities and operations pertaining to the Software Business (collectively, "Licenses");
 - (vi) all such permanent employees of the Demerged Company and employees/personnel engaged on contract basis, as are primarily engaged in or in relation to the Demerged Company's



- undertaking, business, activities and operations pertaining to the Software Business, at its respective offices or otherwise, and any other employees/personnel hired by the Demerged Company after the date hereof who are primarily engaged in or in relation to the Demerged Company's undertaking, business, activities and operations pertaining to the Software Business (collectively, "Employees");
- (vii) all taxes, tax deferrals and benefits, subsidies, concessions, refund of any tax, duty, cess or of any excess payment, tax credits (including, without limitation, all amounts claimed as refund, whether or not so recorded in the books of accounts and credits in respect of income tax, such as carry forward tax losses comprising of unabsorbed depreciation), tax deducted at source and goods and services tax, of the Software Business;
 - (viii) all rights to any claim not preferred or made by the Demerged Company pertaining to the Demerged Undertaking in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Demerged Company pertaining to the Demerged Undertaking and any interest thereon, under Applicable Law, and in respect of set-off, carry forward of un-absorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortisation benefit, etc, under any Applicable Law, or any other or like benefits under and in accordance with any Applicable Law or act, whether in India or anywhere outside India;
 - (ix) all legal, tax, regulatory, quasi-judicial, administrative or other proceedings, suits, appeals, applications or proceedings of whatsoever nature, initiated by or against the Demerged Company pertaining to the Software Business;
 - (x) all insurance policies relating to the Software Business;
 - (xi) all necessary books, records, files, papers, computer programmes, manuals, data, catalogues, list of present and former customers, suppliers, customer pricing information, customer credit information, and other records whether in physical or electronic form in connection with or relating to Software Business.

Any question or doubts that may arise as to whether a specified asset or liability pertains to or does not pertain to the Software Business or whether it arises out of the activities or operations or is to be included in the Software Business shall be decided by mutual agreement between the Board of Directors of the Demerged Company and the Resulting Company.

- 1.2.9. "Effective Date"** means the date on which the Scheme shall become effective pursuant to Clause 11 of this Scheme. Any references in this Scheme to "upon this Scheme becoming effective" or "effectiveness of this Scheme" or "after this Scheme becomes effective" means and refers to the Effective Date;
- 1.2.10. "Financial Statements"** would include standalone and consolidated accounts, as applicable;
- 1.2.11. "Governmental Authority"** means any government authority, statutory authority, government department, agency, commission, board, tribunal or court or other law, rule or regulation making entity having or purporting to have jurisdiction on-behalf of the Republic of India or any state or other subdivision thereof or any municipality, district or other subdivision thereof;
- 1.2.12. "INR" or "Rs"** means Indian Rupees;
- 1.2.13. "IT Act"** means the Income Tax Act, 1961;



- 1.2.14. **"NCLT"** means the Hon'ble National Company Law Tribunal having jurisdiction over the Demerged Company and the Resulting Company;
- 1.2.15. **"RBI"** means the Reserve Bank of India;
- 1.2.16. **"Record Date"** means, the date to be fixed by the respective Boards of the Demerged Company and the Resulting Company for the purpose of determining the shareholders of the Demerged Company to whom shares will be allotted pursuant to Clause 4 of this Scheme;
- 1.2.17. **"Residual Business"** means all the undertakings, businesses, activities and operations of the Demerged Company other than the Demerged Undertaking, including but not limited to the Infrastructure Business;
- 1.2.18. **"SEBI"** means the Securities and Exchange Board of India;
- 1.2.19. **"SEBI Circular"** means SEBI Master Circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 dt. June 20, 2023 on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of Rule 19 of the Securities Contracts (Regulation) Rules, 1957, as amended from time to time or any other circular issued by SEBI applicable to schemes of arrangement, from time to time;
- 1.2.20. **"SEBI LODR"** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time;
- 1.2.21. **"Infrastructure Business"** means the business of the Demerged Company as defined in Clause 1.1.1.(iv)(b);
- 1.2.22. **"Scheme"** or **"the Scheme"** or **"this Scheme"** means this Scheme of Arrangement in its present form (along with any annexures, schedules, etc., annexed/attached hereto), with such modifications and amendments as may be made from time to time, and with appropriate approvals and sanctions of the NCLT and other relevant regulatory authorities, as may be required under the Act, as applicable, and under all other Applicable Laws;
- 1.2.23. **"Stock Exchange"** means BSE Limited;
- 1.2.24. **"Subsidiary"** means such subsidiary (including its branch offices, if any) of the Demerged Company as set out in Schedule I;
- 1.2.25. **"Subsidiary Company Schedule"** means Schedule I of this Scheme;
- 1.2.26. **"Taxation"** or **"Tax"** or **"Taxes"** means all forms of taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies, whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value, goods and services or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, collection at source, dividend distribution tax, advance tax, minimum alternate tax, goods and services tax or otherwise or attributable directly or primarily to any of the Parties or any other Person and all penalties, charges, costs and interest relating thereto;
- 1.2.27. **"Resulting Company"** means Covance SoftSol Limited, as defined in Clause 1.1.2 above;



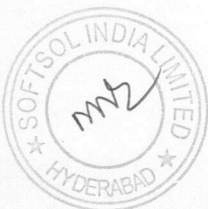
1.2.28. "Demerged Company" means SoftSol India Limited, as defined in Clause 1.1.1 above, and

1.3 INTERPRETATION

- 1.3.1 The terms "hereof", "herein", "hereby", "hereto" and derivative or similar words used in this Scheme refers to this entire Scheme.
- 1.3.2 In this Scheme, unless the context otherwise requires:
- (i) words denoting the singular shall include the plural and vice versa;
 - (ii) reference to any law or legislation or regulation shall include amendment(s), circulars, notifications, clarifications or supplement(s) to, or replacement, re-enactment, restatement or amendment of, that law or legislation or regulation and shall include the rules and regulations thereunder; and
 - (iii) headings, sub-headings, titles, sub-titles to clauses, sub-clauses and paragraphs are for information and convenience only and shall be ignored in construing the same.
- 1.3.3 The expressions, which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the regulations made there under), the Depositories Act, 1996 and other Applicable Laws, rules, regulations, guidelines, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

1.4 DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT shall be deemed to be effective from the Appointed Date but shall be operative only from the Effective Date.



PART II
CAPITAL STRUCTURE

2. CAPITAL STRUCTURE

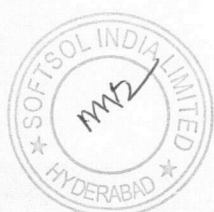
2.1 The share capital of the Demerged Company as on June 30, 2023 was as under:

Share Capital	Amount in Indian Rupees
Authorized Share Capital	
5,00,00,000 Equity Shares of Rs.10/- each	Rs.50,00,00,000/-
Total	Rs.50,00,00,000/-
Issued Share Capital	
1,47,63,689 Equity Shares of Rs.10/- each	Rs. 14,76,36,890/-
Subscribed and Paid-up Capital	
1,47,63,689 Equity Shares of Rs.10/- each	Rs. 14,76,36,890/-

Subsequent to June 30, 2023, there has been no change in the authorised, issued, subscribed and paid up share capital of the Demerged Company.

2.2 The share capital of the Resulting Company as on August 14, 2023 was as under:

Share Capital	Amount in Indian Rupees
Authorized Share Capital	
1,50,00,000 Equity Shares of Rs.10/- each	Rs. 15,00,00,000
Total	Rs.10,00,000
Issued Share Capital	
10,000 Equity Shares of Rs.10/- each	Rs.1,00,000
Subscribed and Paid up Capital	
10,000 Equity Shares of Rs.10/- each	Rs.1,00,000



PART III
DEMERGER, TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING
FROM THE DEMERGED COMPANY INTO THE RESULTING COMPANY

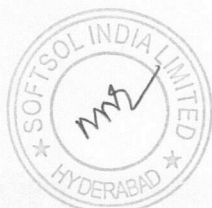
3. TRANSFER AND VESTING

Upon this Scheme becoming effective, and with effect from the Appointed Date, the Demerged Undertaking, together with all its rights, benefits, interests and obligations therein, shall, in accordance with Section 2(19AA) of the IT Act and Sections 230 to 232 and other applicable provisions of the Act without any further act, instrument or deed, stand transferred to and vested in or be deemed to be transferred to and vested in the Resulting Company, as a going concern, and shall become the property of and an integral part of the Resulting Company.

3.1. TRANSFER OF ASSETS

3.1.1. Upon this Scheme becoming effective, and with effect from the Appointed Date:

- (i) All the Assets of the Demerged Undertaking that are movable, in nature or incorporeal property or are otherwise capable of transfer by manual or constructive delivery or by endorsement and delivery or by vesting and recorded, pursuant to this Scheme, shall stand vested in the Resulting Company and shall become the property and an integral part of the Resulting Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual or constructive delivery or by endorsement and delivery or by vesting and recorded, as appropriate to the property being vested, and title to the property shall be deemed to have been transferred accordingly.
- (ii) All the Assets of the Demerged Undertaking that are movable properties other than those described under sub-clause (i) above, including but not limited to trade investment, investments in mutual funds, companies, associate companies, fellow subsidiary, joint ventures and non-current investments, 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 Governmental Authority, semi-Government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, become the property of the Resulting Company, and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard. It is clarified that upon the Scheme becoming effective, the Subsidiary set out in Subsidiary Company Schedule shall cease to be Subsidiary of the Demerged Company and shall become subsidiary of the Resulting Company.
- (iii) Without prejudice to the generality of the foregoing, all estates, assets, rights, title, interests and authorities accrued to and/or acquired by the Demerged Company for or in relation to the Demerged Undertaking shall be deemed to have been accrued to and/or acquired for and on behalf of the Resulting Company and shall, upon this Scheme becoming effective, without any further act, instrument or deed be and stand transferred to or vested in or be deemed to have been transferred to or vested in the Resulting Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Resulting Company.
- (iv) All the Intellectual Property currently being used, primarily or solely, by the Demerged Undertaking, shall stand transferred to and be vested in the Resulting Company. The Demerged Company



agrees to execute and deliver, at the request of the Resulting Company, all relevant documents and instruments required in respect of the Intellectual Property, to vest such rights, title and interest in the name of the Resulting Company and in order to update the records of the concerned registries, wherever applicable, to reflect the name and address of the Resulting Company as the current owner of the Intellectual Property. As part of this Scheme, the Demerged Company shall have the royalty free economic right to use, as a licensee, the Intellectual Property, in perpetuity from the Appointed Date, in accordance with such terms and conditions as may be mutually agreed.

- (v) All the intellectual property other than those set out in sub-clause (v) above, shall continue to be owned by the Demerged Company. As part of this Scheme, the Resulting Company shall have the royalty free economic right to use, as a licensee, the intellectual property other than those set out in sub-clause (v) above, in perpetuity from the Appointed Date, in accordance with such terms and conditions as may be mutually agreed. Notwithstanding anything contained in this clause, it is hereby clarified that the trademark 'SoftSol' shall continue to be owned by the Demerged Company. As part of the Scheme, the Resulting Company shall have the right to use the word 'SoftSol', in perpetuity from the Appointed Date, without payment of any royalty to the Demerged Company. The Demerged Company and the Resulting Company may enter into agreements in relation to the aforementioned arrangements for the word 'SoftSol'.
- (vi) Notwithstanding anything contained herein, it is hereby clarified that the Demerged Company and the Resulting Company shall be free to undertake further developments and enhancements to the intellectual property owned by them or licensed to them by the Demerged Company or Resulting Company (as the case may be) ("Derivative Intellectual Property"). In the event the Demerged Company or Resulting Company (as the case may be) is desirous of obtaining a license to use any Derivative Intellectual Property which it was not involved in developing (fully or partially), the charges for such Derivative Intellectual Property shall be decided between the Demerged Company and the Resulting Company on such terms and conditions as may be mutually agreed, in accordance with Applicable Laws.
- (vii) The Resulting Company shall, at any time after the Effective Date and as the successor entity of the Demerged Company, in relation to the Demerged Undertaking, if so required under any Applicable Law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Demerged Undertaking, including any filings with the regulatory authorities, in order to give formal effect to the above provisions. The Resulting Company shall, under the provisions hereof, be deemed to be authorised to execute any such writings in the name of and on behalf of the Demerged Company in relation to the Demerged Undertaking and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company, inter alia, in its capacity as the successor-in-interest of the Demerged Company in relation to the Demerged Undertaking.
- (viii) The past track record of the Demerged Company relating to the Demerged Undertaking, including without limitation, the profitability, production volumes, experience, credentials and market share, shall be deemed to be the track record of the Resulting Company for all commercial and regulatory purposes including for the purpose of eligibility, standing, evaluation and participation of the Resulting Company in all existing and future bids, tenders and contracts of all authorities, agencies and clients.



- (ix) All the Licenses of the Demerged Undertaking shall stand transferred to and vested in the Resulting Company. Any other permits, licenses, consents, approvals, authorisations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, as are held at present by the Demerged Company, but relate to or benefitting at present the Residual Business and the Demerger Undertaking, shall be deemed to constitute separate permits, licenses, consents, approvals, authorisations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements; tenancies, privileges and similar rights, and any waiver of the foregoing, and the necessary substitution/endorsement shall be made and duly recorded in the name of the Demerged Company and the Resulting Company by the relevant authorities pursuant to the sanction of this Scheme by the NCLT. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this sub-clause, the said. third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Resulting Company pursuant to sanction of this Scheme by the NCLT. For this purpose, the Resulting Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes.

3.2. TRANSFER OF LIABILITIES

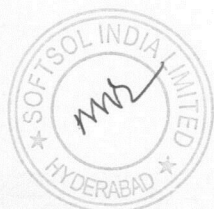
Upon this Scheme becoming effective, and with effect from the Appointed Date:

- (i) All the Liabilities of the Demerged Undertaking shall without any further act, instrument or deed, become the liability of the Resulting Company and shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company, as the case may be, and the Resulting Company shall be liable to meet, discharge and satisfy the same in accordance with its terms. It is hereby clarified 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 sub-clause,

It is clarified that the unsecured loan provided by the Demerged Company to SoftSol Resources Inc., a wholly owned subsidiary, for its software business activities in US, will not be forming a part of the Demerged Undertaking as that loan amount is deemed a tangible investment or asset, and rightfully belongs to the tangible assets/holding business ("SoftSol Holdings"). Hence, the said liability of unsecured loan will not be transferred to the Resulting Company.

It is further clarified that all guarantees provided by the Demerged Company for its activities (including for and on behalf of the Subsidiary) forming a part of the Demerged Undertaking shall stand transferred to the Resulting Company. The Demerged Company and the Resulting Company shall undertake all necessary compliances prescribed under the relevant contracts, deed or other documents under which such guarantee obligations, have arisen and/or Applicable Law, to effectuate such transfers/assignment.

- (ii) All cheques and other negotiable instruments, payment orders, and electronic fund transfers (like NEFT, RTGS, etc.) received in the name of the Demerged Company pertaining to the Demerged Undertaking after the Effective Date shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company.



3.3. TRANSFER OF CONTRACTS

Upon this Scheme becoming effective, and with effect from the Appointed Date:

- (i) All the Contracts of the Demerged Undertaking, including but not limited to contracts/ purchase orders with customers and vendors, and all contracts (including contracts pending for renewal or for fresh allocation of capacity), deeds, bonds, lease deeds, agreements entered into with various persons including independent consultants, Subsidiary, arrangements and other instruments of whatsoever nature; 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 Effective Date, shall continue in full force and effect 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.
- (ii) Any contract of the Demerged Company relating to or benefiting at present the Infrastructure Business and the Demerged Undertaking, shall be deemed to constitute separate contracts, thereby relating to and/or benefiting the Demerged Company and the Resulting Company.
- (iii) It is hereby clarified that if any Contracts in relation to the Demerged Undertaking 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 contract, 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 the transfer is effected.
- (iv) The Resulting Company may, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any Applicable Law or otherwise, execute deeds, confirmations or other writings or arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary to be executed merely in order to give formal effect to the above provisions. The Demerged Company will, if reasonably necessary, also be a party to the above. 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 the part of the Demerged Company to be carried out or performed.

TRANSFER OF EMPLOYEES

- 3.3.1. Upon this Scheme becoming effective, all the employees of the Demerged Company engaged in or in relation to the Demerged Undertaking shall be deemed to be transferred to and engaged by the Resulting Company with effect from the Appointed Date or their respective joining date, whichever is later, without any interruption of service and on the basis of continuity of service, and on such terms and conditions as are no less favourable than those on which they are currently engaged by the Demerged Company. The services of such employees with the Demerged Company up to the Effective Date shall be taken into account for the purposes of all benefits and continuity to which, if any, such employees may be eligible under Applicable Law.



- 3.3.2.** Upon this Scheme becoming effective and with effect from Appointed Date, all contributions including any provisions created therefor, to provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, or any other special scheme or, to tax benefits (including medical, pension and leave travel allowance) or any other benefits created or existing exclusively for the benefit of the employees; if any, upon this Scheme becoming effective, shall be made by the Resulting Company in accordance with the provisions of such schemes or funds and Applicable Law. In relation to the employees, for whom the Demerged Company is making contributions to the employee state insurance corporation, the Resulting Company shall stand substituted for the Demerged Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with provisions of such fund, bye laws, etc. in respect to such employees.
- 3.3.3.** In relation to the provident fund contributions being made for the employees by the Demerged Company to the trust of Resulting Company upon this Scheme becoming effective, the Resulting Company shall make contributions for such employees on the same terms and conditions to the employee provident fund maintained with the Regional Provident Fund Office in terms of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The existing accumulations in the Provident Fund Trust pertaining to the Employees shall be continued on the same terms and conditions and shall be transferred to the employee provident fund maintained with the Regional Provident Fund Office in accordance with Applicable Law.
- 3.3.4.** The existing accumulations under employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme and any other special scheme or benefits of the Demerged Company pertaining to the employees shall be continued on the same terms and conditions and shall be transferred to, the employees' state insurance corporation, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Resulting Company or as may be created by the Resulting Company for such purpose, in accordance with Applicable Law. Pending such transfer, the contributions required to be made in respect of the employees shall continue to be made by the Resulting Company to the existing funds maintained by the Demerged Company.

3.4. CONTINUATION OF LEGAL PROCEEDINGS

- 3.4.1.** Upon this Scheme becoming effective, and with effect from the Appointed Date, the Resulting Company shall be entitled to the benefits and shall bear the burdens of any legal or other proceedings to the extent specifically relating to the Demerged Undertaking, initiated by or against the Demerged Company. If any suit, appeal or other proceedings to the extent specifically relating to the Demerged Undertaking initiated by or against the Demerged Company is pending, the same shall not be abated, be discontinued or in any way be prejudicially affected by reason of this Scheme and the proceedings may be continued, prosecuted and enforced by or against the Resulting Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Demerged Company, if this Scheme had not been effected.
- 3.4.2.** All costs and expenses incurred, and payments made, by the Demerged Company in respect of any proceedings initiated by or against the Demerged Company after the Appointed Date to the extent relating to the Demerged Undertaking shall be reimbursed by the Resulting Company upon submission by the Demerged Company to the Resulting Company of documents evidencing that the Demerged Company has, incurred such costs and expenses or made such payments. The Resulting Company shall file necessary application for transfer of all pending suit/appeal or other proceedings of whatsoever nature relating to the Demerged Undertaking.



3.4.3. Subject to the terms of the Scheme, the transfer and vesting of the Demerged Undertaking and continuance of proceedings by or against the Resulting Company, as provided herein, shall not affect any transactions or proceedings already concluded by the Demerged Company before the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by and/or on behalf of the Demerged Company in relation to the Demerged Undertaking as acts, deeds and things done and executed by and on behalf of the Resulting Company.

3.5. TAXATION MATTERS

3.5.1. Upon this Scheme becoming effective, and with effect from the Appointed Date all rights, obligations, benefits available under any direct and indirect taxes, including tax incentives, advantages, privileges, exemptions, entitlements, credits (including, but not limited to, credits in respect of income tax, including carry forward tax losses, unabsorbed depreciation, closing balance of input tax credit, value added tax, turnover tax, central sales tax, excise duty, goods and services tax, security transaction tax, minimum alternate tax and duty entitlement credit certificates), holidays, remissions, reductions, etc., sales tax benefits/exemptions, service tax credit, stamp duty benefits and exemptions which may be obtained by the Demerged Company or which the Demerged Company is entitled to or which are or may be available to the Demerged Company in respect of the Demerged Undertaking shall, pursuant to the sanction of this Scheme, be available to the Resulting Company on and as is where is/going concern basis. The Demerged Company shall undertake all necessary compliances prescribed under Applicable Laws to effectuate transfer of credits of goods and services tax in relation to the Demerged Undertaking to the Resulting Company. It is hereby clarified that any tax related liabilities/benefits, arising out of or in connection with an event occurring prior to the Appointed Date, even when the same may arise and/or accrue subsequent to the Appointed Date, shall, subject to and in accordance with applicable direct and indirect tax laws, continue to be liabilities/benefits of the Demerged Company.

3.6. BENEFITS OF STATUTORY/CORPORATE APPROVALS

3.6.1. Without prejudice to the generality of the above and upon the Scheme becoming effective, the benefits of any and all corporate approvals, statutory approvals as may have already been taken by the Demerged Company:

- a) in relation to the Demerged Undertaking, whether being in the nature of compliances or otherwise and any other approvals as obtained under the Act or SEBI LODR including but not limited to approvals under the Act, shall stand transferred to the Resulting Company and the said corporate approvals and compliances shall be deemed to have been taken / complied with by the Resulting Company, by virtue of approval of this Scheme.

3.6.2. Upon the Scheme becoming effective, all the fresh appointments of directors, key managerial personnel (those not covered under this Scheme) and new transaction(s) contemplated to be entered into by the Resulting Company with its related parties shall be done in accordance with the applicable provisions of the Act and other Applicable Laws.



3.7. CONDUCT OF BUSINESS

With effect from the Appointed Date and until occurrence of the Effective Date:

- (i) the Demerged Company undertakes to carry on and shall be deemed to have carried on all its business activities of the Demerged Undertaking and stand possessed of the properties and assets of the Demerged Undertaking, for and on account of and in trust for the Resulting Company; and
- (ii) all profits or income accruing to or received by the Demerged Company, out of the Demerged Undertaking and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax, fringe benefit tax, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, etc.) or losses arising in or incurred by the Demerged Company with respect to the Demerged Undertaking shall, for all purposes, be treated as and deemed to be the profits, losses, income or taxes, as the case may be, of the Resulting Company; and
- (iii) the Demerged Company shall carry on the business of the Demerged Undertaking with reasonable diligence and business prudence and in a manner consistent with its past practices; and
- (iv) the Demerged Company shall carry on the business of the Demerged Undertaking, in its ordinary course of business. All the actions taken by the Demerged Company for the Demerged Undertaking, Inter-alia, including any income, advances, payments made/collections received, funds or resources deployed or cost incurred, shall be suitably accounted for and recorded by the Demerged Company and the Resulting Company on such terms and conditions as the Board of Directors of the Demerged Company and the Resulting Company may agree upon. Notwithstanding anything contained herein above, it is hereby clarified that no separate corporate approvals, inter-alia, under the Act, shall be required to be taken by the Demerged Company for undertaking any of the foregoing actions/transactions pertaining to the Demerged Undertaking and such actions/transactions shall be deemed to be in compliance with the Act as applicable, by virtue of approval of the Scheme; and
- (v) the Demerged Company shall not, in relation to the Demerged Undertaking, vary or alter, except in the ordinary course of its business or pursuant to any pre-existing obligations undertaken prior to the date of approval of the Scheme by the Board of Directors of the Demerged Company, the terms and conditions of employment of any of its employees, nor shall it conclude settlement with any union or its employees except with the written concurrence of the Resulting Company; and
- (vi) the Demerged Company shall not undertake any actions in relation to the Demerged Undertaking which are not in the ordinary course of business of the Demerged Undertaking (including undertaking any acquisitions or disposal of Assets which are not in the ordinary course of business), except with the written concurrence of the Board of the Demerged Company and the Resulting Company in compliance with Applicable Laws.

3.8. SAVING OF CONCLUDED TRANSACTIONS

The transfer of assets and liabilities to, and the continuance of proceedings by or against the Resulting Company, shall not affect any transaction or proceedings already concluded by the Demerged Company

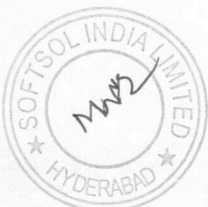


on or before the Appointed Date, and after Appointed Date till the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Demerged Company in respect thereto as done and executed on behalf of itself.

- 3.9. Without prejudice to the other provisions of this Scheme, the Demerged Company and/or the Resulting Company, as the case may be, shall, at any time after this Scheme becomes effective in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, do all such acts or things as may be necessary to transfer/obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Demerged Company in relation to the Demerged Undertaking. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/ endorsement in the name of the Resulting Company upon this Scheme becoming effective in accordance with the terms hereof, For this purpose, the Resulting Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes. The Resulting Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Demerged Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

3.10. ARRANGEMENTS BETWEEN THE DEMERGEDCOMPAMY AND THE RESULTING COMPANY ETC.

- (i) Currently, the Demerged Undertaking is being carried on as a part of the business of the Demerged Company and will continue to be carried on by the Demerged Company till the Effective Date. The Demerged Undertaking and Infrastructure Business of the Demerged Company would have certain inter-dependencies and, therefore, to ensure continuity of the operations, the Demerged Company and Resulting Company propose to undertake various business relationships with each other to provide transition and continual support to give full effect to the Scheme, on an arm's length basis, for which appropriate contracts will be entered into between the Demerged Company and the Resulting Company prior to the Effective Date. In relation to the aforementioned, some of the key business relationships proposed between the Demerged Company and the Resulting Company, which may continue beyond Effective Date, pertain to (a) functional support services (including costs allocated inter alia) such as logistics, procurement, finance, human resource, legal, IT services (including software licensed from third parties), marketing, etc.; (b) corporate and management services; (c) licensing of certain intellectual properties; and (d) infrastructure leasing and/or licensing.
- (ii) The agreements executed prior to the Effective Date between the Demerged Company and the Resulting Company, shall be subject to the necessary approvals of the Demerged Company and the Resulting Company (as applicable) in accordance with the Act, SEBI LODR and all other applicable provisions of Applicable Law, and such agreements shall be binding on the parties thereto.
- (iii) It is clarified that all guarantees provided by the Demerged Company (including for and on behalf of the Subsidiary) in respect of the Demerged Undertaking and the Demerged Company shall be valid and subsisting till adequate arrangements/ guarantees have been provided in respect of the same by the Resulting Company.



3.11. INFRASTRUCTURE BUSINESS

- (i) The Infrastructure Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company.
- (ii) All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company which relate to the Infrastructure Business under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Infrastructure Business (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Infrastructure Business) shall be continued and enforced by or against the Demerged Company after the Effective Date. The Resulting Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceeding against the Demerged Company, which relate to the Infrastructure Business.
- (iii) With effect from the Appointed Date and beyond the Effective Date, the Demerged Company:
 - (a) shall be deemed to have been carrying on and to be carrying on all the business and activities relating to the Infrastructure Business for and on its own behalf; and
 - (b) all profits accruing to the Demerged Company thereon or losses arising or incurred by it relating to the Infrastructure Business, shall, for all purposes be treated as the profits or losses, as the case may be, of the Demerged Company.



PART IV
CONSIDERATION, ACCOUNTING AND TAX TREATMENTS OF THE DEMERGED COMPANY AND THE RESULTING COMPANY

4. CONSIDERATION

- 4.1. Upon the coming into effect of the Scheme, and in consideration of the transfer and vesting of the Demerged Undertaking from the Demerged Company into the Resulting Company pursuant to Part III of this Scheme, the Resulting Company shall, without any further act or deed and without any further payment issue and allot to the shareholders of the Demerged Company (whose name is recorded in the register of members of the Demerged Company as holding equity shares on the Record Date) in the following manner:

"For every 1 (one) equity share of the Demerged Company of face value of INR 10 each held in the Demerged Company, every equity shareholder of the Demerged Company, shall without any application, act or deed, be entitled to receive 1 (one) equity share of face value INR 10 each of the Resulting Company, credited as fully paid up on the same terms and conditions of issue as prevalent in the Demerged Company".

- 4.2. The equity shares to be issued by the Resulting Company shall be issued in dematerialized form to those shareholders who hold shares of the Demerged Company in dematerialized form, into the account in which shares of the Demerged Company are held or such other account as is intimated in writing by the shareholders to the Demerged Company and/ or its registrar provided such intimation has been received by the Demerged Company and/or its registrar at least 7 (seven) days before the Record Date. All those shareholders who hold shares of the Demerged Company in physical form shall also receive the equity shares to be issued by the Resulting Company, in dematerialized form provided the details of their account with the depository participant are intimated in writing to the Demerged Company and/ or its registrar provided such intimation has been received by the Demerged Company and/or its registrar at least 7 (seven) days before the Record Date. If no such intimation is received from any shareholder who holds shares of the Demerged Company in physical form 7 (seven) days before the Record Date, or if the details furnished by any shareholder do not permit electronic credit of the shares of the Resulting Company, then the Resulting Company shall open an escrow demat account with a depository participant to keep such shares in abeyance / in such escrow demat account and will credit the same to the respective demat account(s) of such shareholders as and when the details of such shareholder's account with the depository participant are intimated in writing by the shareholders to the Resulting Company and/or its registrar.
- 4.3. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of Directors of the Resulting Company shall be empowered in appropriate cases, prior to or even-subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on Record Date, in order to remove any difficulties, after the effectiveness of this Scheme.
- 4.4. The equity shares to be issued by the Resulting Company, pursuant to Clause 4.1 above, in respect of any equity shares of the Demerged Company which are held in abeyance under the provisions of Section

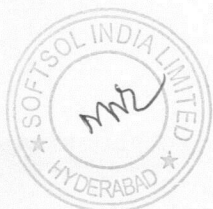


126 of the Act or otherwise shall, pending allotment or settlement of dispute by order of any court or otherwise, be held in abeyance by the Resulting Company.

- 4.5. The equity shares to be issued by the Resulting Company in respect of the equity shares of the Demerged Company held in the unclaimed suspense account shall be credited to a new unclaimed suspense account created for shareholders of the Resulting Company.
- 4.6. The equity shares to be issued by the Resulting Company in respect of the shares of the Demerged Company held in the Investor Education and Protection Fund shall be credited to the Investor Education and Protection Fund.
- 4.7. Without prejudice to the generality of Clause 4.1 above, the Board of the Resulting Company shall, if and to the extent required, apply for and obtain any approvals from concerned appropriate authorities and undertake necessary compliance for the issue and allotment of equity shares to the members of the Demerged Company pursuant to Clause 4.1 of the Scheme.
- 4.8. 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 13, Section 14, Section 42, Section 62 and other relevant and applicable provisions of the Act and rules made thereunder for the issue and allotment of the equity shares by the Resulting Company to the equity shareholders of the Demerged Company as on the Record Date, as provided in this Scheme.
- 4.9. The equity shares of the Resulting Company issued in terms of Clause 4.1 of this Scheme will be listed and/ or admitted to trading on BSE Limited where the shares of the Demerged Company are listed on the Effective Date. The Resulting Company shall apply to BSE Limited (where the shares of the Demerged Company are listed) and SEBI for listing and admission to trading of all the equity shares issued to the shareholders of the Demerged Company pursuant to this Scheme in terms of the SEBI Circular read with any other Applicable Laws.
- 4.10. The Resulting Company shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with the Applicable Laws or regulations for the Resulting Company to comply with the formalities and requirements of BSE Limited. The equity shares of the Resulting Company allotted pursuant to the Scheme shall remain frozen in the depositories system until listing and trading permission is given by BSE Limited as mentioned above. There shall be no change in the shareholding pattern or control in the Resulting Company between the Record Date in terms of the Scheme and the listing which may affect the status of approvals received from BSE Limited. There will be no change in the equity share capital of the Resulting Company from the allotment of equity shares made to the shareholders of the Demerged Company in accordance with Clause 4.1 above till the listing of the said equity shares of the Resulting Company on BSE Limited.
- 4.11. The Resulting Company shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of BSE Limited.

5. ACCOUNTING TREATMENT

5.1. Accounting Treatment in the Financial Statements of the Demerged Company



- (a) The transfer of the Demerged Undertaking shall be accounted for in the books of the Demerged Company in accordance with applicable accounting standards prescribed under Section 133 of the Act and generally accepted accounting principles in India.
- (b) Upon the Scheme becoming effective:
 - (i) The respective carrying values, of the assets, liabilities and identified reserves of the Demerged Undertaking, shall be reduced from the books of account of the Demerged Company.
 - (ii) Pursuant to Part III of the Scheme, the investment of the Demerged Company in the Resulting Company as appearing in its books of accounts shall be written off.
- (c) The difference of the above, shall be reduced from Other Equity in the books of the Demerged Company.

5.2. Accounting Treatment in the Financial Statements of the Resulting Company

- (a) The transfer of the Demerged Undertaking shall be accounted for in the books of the Resulting Company using the pooling of interest method in accordance with Appendix C "Business Combinations of entities under common control" of the Indian Accounting Standard (Ind AS) 103-Business Combinations.
- (b) Upon the Scheme becoming effective:
 - (i) The transferred assets, liabilities and identified reserves relating to the Demerged Undertaking would be recorded at their respective carrying amounts as appearing in Financial Statements of the Demerged Company.
 - (ii) The Resulting Company shall credit its share capital account with the aggregate face value of the equity shares issued to the shareholders of the Demerged Company.
 - (iii) The difference, if any, between the carrying amount of the net assets of the Demerged Undertaking acquired and the consideration issued to the shareholders of the Demerged Company shall be adjusted to Other Equity.
 - (iv) The financial statements of the Resulting Company shall be restated as per the requirements of Appendix C of Ind AS 103.
 - (v) The Resulting Company's capital reduction pursuant to Clause 7 of this Scheme will be transferred to the capital reserve.
- (c) The reserves so recorded under Other Equity shall be available for distribution of dividend to the shareholders and shall be considered as free reserves from the Act perspective.



6. TAX

Upon the Scheme becoming effective and with effect from the Appointed Date:

- 6.1. This Scheme complies with the conditions relating to "demerger" as defined under Section 2(19AA), Section 47 and other relevant sections and provisions of the IT Act.
- 6.2. It is clarified that all the taxes and duties payable by the Demerged Company, relating to the Demerged Undertaking from the Appointed Date, including all advance tax payments, tax deducted at source, tax liabilities or any refund and claims shall, for all purposes be treated as advance tax payments, tax deducted at source, tax liabilities or refunds and claims of the Resulting Company, notwithstanding that the certificates, challans or other documents for payments of such taxes are in the name of the Demerged Company.
- 6.3. Without prejudice to the generality of Clause 6.2 above, any input tax credits which are unutilized as on the date of filing of prescribed returns/form for transfer of credit to the Resulting Company under Central Goods and Services Tax Act read with Central Goods and Services Tax rules therein shall be apportioned in accordance with relevant regulation, circulars, guidance provided for the same.
- 6.4. In addition, all deduction otherwise admissible to the Demerged Company in relation to the Demerged Undertaking including payment admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source shall be eligible for deduction to the Resulting Company upon fulfilment of the applicable conditions under the Applicable Law.
- 6.5. Tax assessment proceedings/appeals of whatsoever nature by or against the Demerged Company relating to the Demerged Undertaking, if any, pending and/or arising at the Appointed Date, shall be continued and/or enforced until the Effective Date as desired by the Resulting Company. As and from the Effective Date, the tax proceedings/ appeals shall be continued and enforced by or against the Resulting Company relating to the Demerged Undertaking in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the transfer and vesting of the Demerged Undertaking into the Resulting Company or anything contained in the Scheme.
- 6.6. With effect from the Appointed Date, the Demerged Company and the Resulting Company are expressly permitted to prepare and/or revise, as the case may be, their Financial Statements and returns along with the prescribed forms, filings and annexure and related tax payment certificates under the Income Tax Act, 1961, Goods and Services Tax and other tax laws, if required, to give effect to provisions of the Scheme, and to claim refunds and advance tax credits in relation to the Demerged Undertaking as may be required consequent to the implementation of the Scheme, and all tax compliances under Applicable Laws by the Demerged Company in relation to the Demerged Undertaking shall be deemed to have been undertaken by the Resulting Company.



PART V
GENERAL/RESIDUARY TERMS AND CONDITIONS

7. CANCELLATION OF EXISTING EQUITY SHARES OF THE RESULTING COMPANY HELD BY THE DEMERGED COMPANY

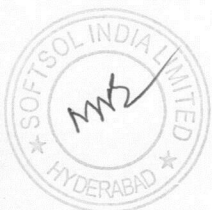
- 7.1. Upon the Scheme becoming effective, all equity shares of the Resulting Company held by the Demerged Company (directly and/ or through nominees) shall stand cancelled without any further application, act or deed. It is clarified that no new shares shall be issued or payment made in cash or in kind whatsoever by the Resulting Company to the Demerged Company in lieu of such shares of the Resulting Company. For avoidance of doubt, it is clarified that the reduction in the share capital of the Resulting Company, pursuant to such cancellation shall be effected as an integral part of this Scheme and Section 66 of the Act shall not apply to the Resulting Company to effectuate such reduction of capital.

8. CHANGE OF NAME OF THE DEMERGED COMPANY

- 8.1. Upon this Scheme becoming effective if required, the name of the Demerged Company shall stand changed to "SOFTSOL CORPORATION LIMITED" or such other name which is available and approved by the CRC, Ministry of Corporate Affairs, by simply filing the requisite forms with the Appropriate Authority and no separate consent, approval, act, procedure, instrument, or deed shall be required to be obtained or followed under the Act.
- 8.2. Consequently, subject to Clause 8.1 above, Clause I of the Memorandum of Association of the Demerged Company shall without any act, procedure, instrument or deed be and stand altered, modified and amended, to reflect the revised name of the Demerged Company, pursuant to Sections 13, 232 and other applicable provisions of the Act.
- 8.3. It is hereby clarified that, for the purposes of acts and events as mentioned in Clauses 8.1 and 8.2, the consent of the shareholders of the Demerged Company to this Scheme shall be deemed to be sufficient for the purposes of effecting the aforementioned amendment and that no further resolution under Section 13, Section 14 or any other applicable provisions of the Act, would be required to be separately passed.

9. DIVIDENDS

- 9.1. The Demerged Company and the Resulting Company shall be entitled to declare and make a distribution/ pay dividends, whether interim or final and/or issue bonus shares to their respective shareholders prior to the Effective Date, in accordance with Applicable Law. Any declaration of dividend or other distribution of capital or income by the Demerged Company and the Resulting Company shall be consistent with their respective dividend policies and past practices.
- 9.2. It is clarified that the aforesaid provisions in respect of the declaration of dividends (whether interim or final) are enabling provisions and shall not be deemed to confer any right on any shareholder of the Demerged Company and the Resulting Company, as the case may be, to demand or claim or be entitled to any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Board of the Demerged Company and the Resulting Company, as the case may be, and subject to approval, if required, of the shareholders of the relevant company.



10. APPLICATION TO NCLT

- 10.1. The Demerged Company and the Resulting Company shall, with all reasonable dispatch, make respective applications to the NCLT and or applicable authority, under Sections 230 to 232 of the Act, seeking order for dispensing with or for convening, holding and/or conducting of the meetings of the classes of their respective members and creditors (secured and unsecured) as per the requirements of the Act.
- 10.2. The Demerged Company and the Resulting Company, as the case may be, shall be entitled, pending the sanction of this Scheme, to apply to the appropriate authorities, as required, under any Applicable Law for such consents and approvals which may be required to own/ transfer the assets and/or liabilities of the Demerged Undertaking.

11. CONDITIONALITY OF THE SCHEME

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

- (a) Receipt of no-objection / observation letter from BSE Limited in relation to this Scheme under Regulation 37 of the SEBI LODR.
- (b) The approval by the requisite majorities of the classes of persons, including shareholders, creditors of the Demerged Company and the Resulting Company as may be directed by the NCLT under Sections 230-232 of the Act;
- (c) The sanctioning of this Scheme by the NCLT, whether with any modifications or amendments as NCLT may deem fit or otherwise;
- (d) The filing of the certified copies of the orders of the NCLT with the Registrar of Companies, Hyderabad, by the Demerged Company and the Resulting Company, as the case may be; and
- (e) Any other sanctions and orders as may be directed by the NCLT in respect of the Scheme.

12. MODIFICATION AND AMENDMENTS TO THE SCHEME

- 12.1. Each of the Demerged Company and the Resulting Company (acting through their respective Boards of Directors) may assent to any modifications or amendments to this Scheme, which the NCLT and/or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out this Scheme. Each of the Demerged Company and the Resulting Company (acting through its respective Boards of Directors) be and is hereby authorized to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions, whether by reason of any order of the NCLT or of any directive or order of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.
- 12.2. If any part or clause of this Scheme hereof is invalid, ruled illegal by any court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Demerged Company and the Resulting Company that such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become



materially adverse to the Demerged Company and/or the Resulting Company, in which case the Demerged Company and the Resulting Company shall attempt to bring about a modification in the Scheme, as will best-preserve for the Demerged Company and the Resulting Company, the benefits and obligations of the Scheme, including but not limited to such part.

13. WITHDRAWAL OF THE SCHEME

The Board of Directors of the Resulting Company and the Demerged Company shall be at liberty to revoke, cancel, withdraw and declare this Scheme of no effect at any stage if (a) any of the conditions that may be imposed by the NCLT or other authorities which the Demerged Company and the Resulting Company may find unacceptable for any reason; or (b) they are of view that the coming into effect of the Scheme could have adverse implications on the Resulting Company and/or the Demerged Company.

14. EFFECT OF NON-RECEIPT OF APPROVALS

14.1. In the event that, (a) the Scheme is not sanctioned by the NCLT; (b) subject to Clause 14.2, any consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated in the Scheme are not obtained or complied with; (c) the Scheme is revoked, cancelled or withdrawn in accordance with Clause 13 above; or (d) for any other reason, the Scheme cannot be implemented, the Scheme shall become null and void, and the Demerged Company shall bear the costs, charges and expenses in connection with the Scheme unless otherwise mutually agreed between the Demerged Company and Resulting Company.

14.2. The non-receipt of any sanctions or approvals for a particular asset or liability forming part of the Demerged Undertaking getting transferred pursuant to this Scheme, shall not affect the effectiveness of the respective section of the Scheme, if the Boards of Directors of the Demerged Company and/or the Resulting Company so decide. In the event of non-receipt of approval of any lender / creditor for the transfer of any liability; then at the option of the Boards of Directors of the Demerged Company, it may issue a security / recognize a liability in favour of the Resulting Company on the same terms. The transfer of such asset or liability shall become effective from the Appointed Date as and when the said requisite approvals are received or aforesaid liability being recognized/security being issued and the provisions of the Scheme shall apply appropriately to the said transfer/issue/recognition.

15. COSTS CHARGES AND EXPENSES

15.1. All costs, charges and expenses payable in relation to or in connection with this Scheme and incidental to the completion of the transfer and vesting of the Demerged Undertaking into the Resulting Company, in pursuance of this Scheme including stamp duty on the order(s) of the Tribunal, if any, to the extent applicable and payable shall be borne and paid by the Demerged Company.

16. COMPLIANCE WITH APPLICABLE LAWS

16.1. The Demerged Company and the Resulting Company undertake to comply with all the Applicable Laws (including all applicable compliances required by SEBI and BSE Limited), including making the requisite intimations and disclosures to any statutory or regulatory authority and obtaining the requisite consent, approval or permission of the appropriate authorities or any other statutory or regulatory authority (including without limitation, and if required, the Central Government, the Reserve Bank of India, SEBI,



BSE Limited), which by Applicable Law may be required for the implementation of this Scheme or which by Applicable Law may be required in relation to any matters connected with this Scheme.

- 16.2. Since the Demerged Company is a listed company, this Scheme is subject to the compliances of the applicable requirements under the SEBI LODR, as amended from time to time, SEBI Circular and all other statutory directives of SEBI, as applicable.



SCHEDULE I

LIST OF SUBSIDIARIES OUTSIDE INDIA

S.No	Subsidiary	Jurisdiction	No. of shares/Percentage of Shareholding
1	SoftSol Resources Inc.,	California, USA.	100%

