



**Mindtree**  
Welcome to possible

Registered Office Address: Mindtree Ltd.  
Global Village, RVCE Post, Mysore Road,  
Bengaluru-560059, Karnataka, India.  
Corporate Identity Number (CIN): L72200KA1999PLC025564  
E-mail: info@mindtree.com

**Ref: MT/STAT/CS/17-18/113**

**October 6, 2017**

**The BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001  
**Scrip Code - 532819**

**National Stock Exchange of India Limited**  
Exchange Plaza,  
Bandra Kurla Complex, Bandra East,  
Mumbai 400 051  
**Scrip Name: MINDTREE**

Dear Sirs,

**Subject: Intimation of Scheme of Amalgamation pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

This is to inform that the Board of Directors at their meeting held today considered and approved the Scheme of Amalgamation ("Scheme") of Magnet 360, LLC ("Transferor Company") with Mindtree Limited ("Transferee Company"). The Scheme will come into effect subject to the approval of the National Company Law Tribunal and other statutory authorities as may be required. The Transferor Company, i.e. Magnet 360, LLC is a wholly owned subsidiary of Mindtree Limited.

The details pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 are as follows:

**a) Brief details of the merger:**

The Scheme of Amalgamation provides for amalgamation of Magnet 360, LLC, a Minnesota limited liability company having its registered office at 5757 Wayzata Boulevard Minneapolis, MN 55416 USA (i.e. the "Transferor Company") with Mindtree Limited (i.e. the "Transferee Company"). The Transferor Company is a wholly owned subsidiary of the Transferee Company.

The merger of the Transferor Company under the Scheme of Amalgamation will be effected as a Scheme under Sections 230 to 232 of the Companies Act, 2013 read with Section 234 of the Companies Act, 2013 and provisions of other applicable laws.

The Revenue of the Transferor Company for the FY 2016-17 was around USD 30 Million.

**b) The Transferor Company is the wholly owned subsidiary of the Transferee Company.**

**c) Area of Business:**

The Transferee Company is involved in the business of software and technology related services, product development services, information management services etc. The Transferor Company is involved in the business of software and technology related services, full suite of salesforce solutions such as CRM, branded sites and communities, social campaign strategy and management, and marketing automation.



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**d) Rationale of the Scheme:**

- (i) The amalgamation will enable the Transferee Company to integrate its business operations and provide significant impetus to the growth of the Transferee Company. The consolidation of the activities by way of an amalgamation will lead to synergies of operations and a stronger and wider capital and financial base for future growth/expansion. The combined entity will have a bigger portfolio of services targeted at a wider array of customers, which will strengthen its competitive position in providing IT services /software & technology related services markets. The proposed amalgamation s will also enable the Transferee Company to address newer solutions and services to its customers and to the Transferor Company's customers and enhance its marketing capabilities.
- (ii) The amalgamation will result in economy of scales and reduction in overheads, administrative, managerial and other expenditure, operational rationalisation, organisational efficiency, and optimal utilisation of various resources.
- (iii) The managerial expertise of the Transferor Company will contribute to the strength of the Transferee Company. Consequently, the Transferee Company will offer a strong financial structure to all creditors including the creditors of the Transferor Company, facilitate resource mobilisation and achieve better cash flows. The proposed amalgamation would contribute substantially towards enhancement of shareholder's value of the Transferee Company.
- (iv) Duplication of administrative functions will be eliminated together with the multiple record - keeping resulting in reduced expenditure.
- (v) The amalgamation will result in a 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.
- (vi) The banks, creditors and institutions, if any, are not affected by the proposed amalgamation as their security is maintained.
- (vii) There shall be impetus and increase in the area of sales, network of the Transferee Company apart from reduction in costs.
- (viii) The amalgamation shall result in the combination of manpower of both the company and a single management structure for the company.
- (ix) The combined managerial and technical expertise would enable the Transferee Company to develop a business model that would be competitive.

**e) Consideration:**

Not Applicable.

The Transferor Company is the wholly owned subsidiary of the Transferee Company and the entire membership interest of Transferor Company is held by the Transferee Company. Upon the scheme coming into effect, the investment made by the Transferee Company in the membership interest of the Transferor Company shall stand cancelled and no shares will be issued by the Transferee Company to the shareholder of the Transferor Company.

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**f) Shareholding Pattern:**

There will be no change in Shareholding pattern of Transferee Company pursuant to the Scheme.

Pursuant to Regulation 37 (6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we herewith attach the copy of the Scheme of Amalgamation of Magnet 360, LLC with Mindtree Limited.

Please take the above intimation on records.

Thanking you.  
Yours sincerely,

**For Mindtree Limited**

**Vedavalli S**  
**Company Secretary**



**SCHEME OF AMALGAMATION OF  
MAGNET 360, LLC WITH MINDTREE LIMITED**

**PART I**

**PRELIMINARY**

- A.** This Scheme of Amalgamation provides for the amalgamation of Magnet 360, LLC, a Minnesota Limited Liability Company having its registered office at 5757 Wayzata Boulevard Minneapolis, MN 55416 USA (i.e. the “**Transferor Company**”) with Mindtree Limited, having its registered office at Global Village, RVCE Post, Mysore Road, Bengaluru 560 059 (i.e. the “**Transferee Company**”) pursuant to the relevant provisions of the Companies Act, 2013 and the Minnesota Revised Uniform Limited Liability Company Act, Chapter 322C of the Minnesota Statutes.
- B.** The Transferor Company is a wholly owned subsidiary of the Transferee Company.
- C.** The Transferor Company was organized on March 25, 2008 under Chapter 322B of the Minnesota Statutes and, effective February 19, 2016, elected to be governed by Chapter 322C of the Minnesota Statutes and the Transferor Company Operating Agreement. The Transferor Company is involved in the business of software and technology related services, full suite of salesforce solutions such as CRM, branded sites and communities, social campaign strategy and management, and marketing automation.
- D.** The Transferee Company was incorporated as a Private Company on August 5, 1999, under the name MindTree Consulting Private Limited as per the provisions of the Companies Act, 1956. Subsequently, MindTree Consulting Private Limited ceased to be a Private Company and the name of the Transferee Company was changed to MindTree Consulting Limited on November 6, 2006. Subsequently on March 28, 2008, the name of the Transferee Company was changed from MindTree Consulting Limited to Mindtree Limited. The Transferee Company is involved in the business of software and technology related services, product development services, information management services etc.
- E.** The merger of the Transferor Company under this Scheme of Amalgamation will be effected as a Scheme under Sections 230 to 232 of the Companies Act, 2013 read with Section 234 of the Companies Act, 2013 and provisions of the other Applicable Laws.
- F.** Under the laws of the States of Minnesota, this transaction will be characterised as a merger of a Minnesota Limited Liability Company with and into a foreign organization under the Sections 322C.1001 through 322C.1005 of the Minnesota Statutes, with the Transferee Company being the surviving organization (as such term is defined in Section 322C.1001, Subdivision 13 of the Minnesota Statutes).

- G.** By this Scheme, it is proposed to amalgamate the Transferor Company with the Transferee Company, for the purposes of better, efficient and economical management, control and running of the businesses, and for further development and growth of the business of the Transferee Company and for administrative convenience. The proposed amalgamation between the Transferor Company and the Transferee Company shall result in the following benefits, amongst others, to both companies, their respective members and creditors.
- (i) The amalgamation will enable the Transferee Company to integrate its business operations and provide significant impetus to the growth of the Transferee Company. The consolidation of the activities by way of an amalgamation will lead to synergies of operations and a stronger and wider capital and financial base for future growth/expansion. The combined entity will have a bigger portfolio of services targeted at a wider array of customers, which will strengthen its competitive position in providing IT services /software & technology related services markets This will also enable the Transferee Company to address newer solutions and services to its customers and to the Transferor Company's customers and enhance its marketing capabilities.
  - (ii) The amalgamation will result in economy of scales and reduction in overheads, administrative, managerial and other expenditure, operational rationalisation, organisational efficiency, and optimal utilisation of various resources.
  - (iii) The managerial expertise of the Transferor Company will contribute to the strength of the Transferee Company. Consequently, the Transferee Company will offer a strong financial structure to all creditors including the creditors of the Transferor Company, facilitate resource mobilisation and achieve better cash flows. This would contribute substantially towards enhancement of shareholder's value of the Transferee Company.
  - (iv) Duplication of administrative functions will be eliminated together with the multiple record - keeping resulting in reduced expenditure.
  - (v) This amalgamation will result in a 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.
  - (vi) The banks, creditors and institutions, if any, are not affected by the proposed amalgamation as their security is maintained.
  - (vii) There shall be impetus and increase in the area of sales, network of the Transferee Company apart from reduction in costs.
  - (viii) The amalgamation shall result in the combination of manpower of both the company and a single management structure for the company.

- (ix) The combined managerial and technical expertise would enable the Transferee Company to develop a business model that would be competitive and cogent.

## PART II

**IN CONSIDERATION OF THE RECIPROCAL PROMISES, THIS SCHEME BETWEEN THE TRANSFEROR COMPANY AND THE TRANSFEREE COMPANY AND THEIR RESPECTIVE SHAREHOLDERS, CREDITORS (SECURED AND UNSECURED) IS BEING PROPOSED IN ACCORDANCE WITH THE TERMS SET OUT HEREUNDER:**

### 1. DEFINITIONS AND INTERPRETATIONS

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

- 1.1 “Act”** means the Companies Act, 2013 and shall include any statutory modifications or amendment thereof.
- 1.2 “Appropriate Authorities”** means any governmental, statutory, regulatory, department or public body or authority of the relevant jurisdiction, including, if applicable, Securities and Exchange Board of India, stock exchanges, Reserve Bank of India, Registrar of Companies, Courts, National Company Law Tribunal and other regulatory authorities of the State of Minnesota, United States of America and India.
- 1.3 “Appointed Date”** means April 01, 2017.
- 1.4 “Applicable Laws”** shall include all applicable:
- (i) statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, listing agreements, notifications, guidelines or policies of any applicable country and/or jurisdiction; and
  - (ii) judicial, quasi-judicial and/or administrative decisions, interpretations, directions, directives, licenses, permits, judgments, writs, injunctions, arbitral awards, decrees, orders, terms and conditions of governmental or regulatory approvals or agreements with any governmental or regulatory authority.
- 1.5 “Effective Date”** means last of the dates specified in Clause 13 of this Scheme.
- 1.6 “Minnesota Statutes”** means the Minnesota Revised Uniform Limited Liability Company Act and Chapter 322C of the Minnesota Statutes.
- 1.7 “Order”** means the order of the Tribunal, sanctioning the Scheme of Amalgamation.

- 1.8** “**Scheme**” or “**The Scheme**” means this Scheme of Amalgamation in its present form as approved by the Board of Directors of the Transferor Company and Transferee Company subject to such modification(s) made under Clause 12 of this Scheme as the Tribunal may impose on the Transferee Company and such modifications which the Transferor Company may deem necessary subject to the approval of the same by the Tribunal.
- 1.9** “**Transferee Company**” means Mindtree Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Global Village, RVCE Post, Mysore Road, Bengaluru 560 059.
- 1.10** “**Transferor Company**” means Magnet 360, LLC, a Limited Liability Company organized in the State of Minnesota, United States of America, and governed by Chapter 322C of the Minnesota Statutes.
- 1.11** “**Transferor Company Operating Agreement**” means the Operating Agreement of the Transferor Company dated February 19, 2016, amending and restating the Amended and Restated Member Control Agreement dated January 1, 2012.
- 1.12** “**Tribunal**” shall mean the National Company Law Tribunal, Bengaluru Bench
- 1.13** “**Undertaking of the Transferor Company**” means the business of the Transferor Company and includes:
- (a) all the assets of the Transferor Company as on the Appointed Date;
  - (b) all the liabilities of the Transferor Company as on the Appointed Date;

Without prejudice to the generality of the above, the Undertaking of the Transferor Company shall include all rights, privileges, powers and authorities and all property, movable or immovable, real or personal, corporeal or incorporeal of whatsoever nature, in possession or reversion, present or contingent of whatever nature and where so ever situated in the United States of America or overseas, and where so ever situate belonging to or in the ownership, power or possession and/or in the control of or vested in or granted in favour of or enjoyed by the Transferor Company including in particular, but without being limited to fixed assets, capital work-in-progress, current assets, debts, receivables, investments, software, technologies, belonging to or in the ownership, power or possession and/or in the control of or vested in or granted in favour of or enjoyed by the Transferor Company, powers, authorities, allotments, approvals, permissions, licenses, consents, exemptions, registrations, statutory licences, no-objection certificates and certifications, contracts, engagements, arrangements, rights, title, interest, quotas, benefits and advantages of whatsoever nature and where so ever situated, liberties, easements, advantages, exemptions, benefits, leases, leasehold rights, licences, tenancy rights, quota rights, permits, approvals, authorisations, right to use and avail of telephones, telexes, facsimile connections & installations, utilities, electricity, power lines, communication lines and other services, reserves, deposits, provisions, funds, benefits of all agreements, subsidies, grants, sales-tax, turnover tax, excise, permits, quotas, rights, entitlements, tenancies, roof

rights, brand, all copyrights, trademarks, service marks, know-how, technical know-how, trade names, descriptions, trading style, franchise, labels, label, designs, colour schemes, utility models, holograms, bar codes, designs, patents, copyrights, and other industrial or intellectual property rights of any nature whatsoever and licences in respect thereof, privileges and any rights, title or interest in intellectual property rights, benefits of contracts, agreements and all other rights including lease rights, licenses including those relating to trademarks, or service marks, powers and facilities of every kind, nature and description whatsoever of the Transferor Company or to which the Transferor Company is entitled and all the debts, liabilities including contingent liabilities, duties, responsibilities and obligations of Transferor Company on the Appointed Date and all other obligations of whatsoever kind including liabilities for payment of gratuity, pension benefits, provident fund or compensation in the event of retrenchment and all other interests arising to the Transferor Company and any accretions or additions thereto after the Appointed Date.

- 1.14** Reference in the Scheme to “**upon the Scheme becoming effective**” or “**effectiveness of the Scheme**” shall mean the Effective Date.

## **2. SHARE CAPITAL**

- 2.1** The share capital of the Transferee Company as on September 30, 2017 is as under:

<b>Particulars</b>	<b>Amount in Rs.</b>
<b>Authorised Share Capital</b>	
800,000,000 Equity Shares of Rs. 10/- each	8,000,000,000
<b>Issued , Subscribed and Paid up Share Capital</b>	
163,898,886 Equity shares of Rs 10/- each	1,638,988,860

- 2.2** The Transferee Company is the sole member of the Transferor Company and owns 100% of the membership interests in the Transferor Company.

## **3. AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEE COMPANY**

### **3.1 TRANSFER AND VESTING OF ASSETS**

- 3.1.1** Upon coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme including in relation to the mode of transfer and vesting, all of the assets, both movable and immovable, tangible and intangible, investments, rights, title and interests comprised in the Undertaking of Transferor Company shall pursuant to Section 232 of the Companies Act, 2013 read with Section 234 of the Companies Act, 2013 and Section 322C.1005 of the Minnesota Statutes and without any further act or deed be transferred to and vested in the Transferee Company so as to become as and from the Appointed Date, the estate, assets, rights, title and interest of the Transferee Company.

- 3.1.2** The mode of vesting of assets referred to in Clause 3.1.1 is as under:



- 3.1.2.1 In respect of such of the said assets as are movable in nature including investments or are otherwise capable of transfer by manual delivery and/or by endorsement and delivery, the same shall be so transferred by the Transferor Company to the Transferee Company in pursuance of the provisions of this Scheme, Section 232 of the Companies Act, 2013 read with Section 234 of the Companies Act, 2013, provisions of Section 322C.1005 of the Minnesota Statutes in relation to the Transferor Company and other Applicable Laws, without requiring any deed or instrument of conveyance for the same and upon such transfer the same shall become the property, estate, assets, rights, title interest and authorities of the Transferee Company.
- 3.1.2.2 In respect of such of the said assets of the Transferor Company other than those referred to in Clause 3.1.2.1 above including the immovable assets, the same shall, without any further act, instrument or deed, be and stand transferred to and vested in and/or deemed to be transferred to and vested in the Transferee Company with effect from the Appointed Date pursuant to the provisions of Section 232 of the Companies Act, 2013 read with Section 234 of the Companies Act, 2013 and the concerned authorities having jurisdiction over the assets shall endorse and record the name of Transferee Company in its record so as to facilitate the implementation of the Scheme and vesting of the Undertaking of the Transferor Company in the Transferee Company without hindrance from the Appointed Date. For the avoidance of doubt, it is hereby clarified that all the rights, title and interest of the Transferor Company in any leasehold properties shall pursuant to Section 232 of the Companies Act, 2013 read with Section 234 of the Companies Act, 2013 and the provisions of this Scheme and provisions of Section 322C.1005 of the Minnesota Statutes in relation to the Transferor Company and other Applicable Laws, without any further act or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in the Transferee Company so as to become as and from the Appointed Date, the right, title and interest of the Transferee Company.
- 3.1.2.3 In respect of movable assets, other than those specified in Clause 3.1.2.1 above, including all businesses through /with existing sub-brokers / authorised persons /clients and related rights & obligations, undertakings / records / know your customer documents, sundry debtors, outstanding loans, advances recoverable in cash or in kind or for value to be received, bank balances, cash balances and deposits with Government, Semi Government, local and other authorities, bodies and customers, etc., the same shall be so transferred by the Transferor Company, and shall become the property of the Transferee Company in pursuance of the provisions of Section 232 of the Companies Act, 2013 read with Section 234 of the Companies Act, 2013 and provisions of Section 322C.1005 of the Minnesota Statutes in relation to the Transferor Company and other Applicable Laws without requiring any deed or instrument of conveyance for the same and further 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, loans, advances or deposits have arisen in order to give effect to the provisions of this Clause. The Transferee Company may, if required, give notice in such form as it may deem fit and proper to such person, debtor or depositor that pursuant to the Tribunal having sanctioned the Scheme, the said person, debtor or depositor should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of the Transferee Company to recover or realise the same is in substitution of the right of the Transferor Company. The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to implement or carry out all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.

3.1.2.4 All patents, copyrights, designs, trademarks, service marks, know-how, technical know-how, trade names, descriptions, trading style, franchise, labels, label designs, colour schemes, utility models, holograms, bar codes, patents, copyrights, and other industrial or intellectual property rights of any nature whatsoever and licenses, privileges in respect thereof, of every kind, nature and description whatsoever of the Transferor Company or to which the Transferor Company is entitled or which may accrue to the Transferor Company shall, pursuant to the provisions of Section 232 of the Companies Act, 2013 read with Section 234 of the Companies Act, 2013 and provisions of Section 322C.1005 of the Minnesota Statutes in relation to Transferor Company and other Applicable Laws without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date, all the patents, copyrights, designs, trademarks, service marks, know-how, technical know-how, trade names, descriptions, trading style, franchise, labels, label designs, colour schemes, utility models, holograms, bar codes, patents, copyrights, and industrial or intellectual property rights, licenses and privileges of the Transferee Company and shall remain valid, effective and enforceable by the Transferee Company on the same terms and conditions.

3.1.2.5 All the licenses, permits, quotas, approvals, permissions, incentives, sales tax deferrals, loans, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by and all rights and benefits that have accrued, which may accrue to the Transferor Company shall, pursuant to the provisions of Section 232 of the Companies Act, 2013 read with Section 234 of the Companies Act, 2013, provisions of Section 322C.1005 of the Minnesota Statutes in relation to the Transferor Company and other Applicable Laws without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and

be available to the Transferee Company so as to become as and from the Appointed Date the licenses, permits, quotas, approvals, permissions, incentives, sales tax deferrals, loans, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible under law.

- 3.1.2.6 Upon the coming into effect of this Scheme, and subject to the provisions of this Scheme and receipt of third party consents if necessary, all contracts, deeds, bonds, agreements, arrangements including but not limited to all direct and indirect tax exemptions and/or deferral benefits and/or any other direct or indirect tax benefits and all other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall remain in full force and effect against or in favour of the Transferee Company as the case may be and may be enforced as fully and effectually as if, instead of Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto. The Transferee Company shall, wherever and if necessary, enter into and/or issue and/or execute deeds, writings or confirmations, enter into any tripartite arrangements, confirmations or novations to which Transferor Company will also be a party in order to give formal effect to the provisions of this clause. Similarly, the exemption privilege and benefits under direct and indirect taxes availed/ enjoyed currently by the Transferor Company shall continue to be available in the hands of the Transferee Company unhindered even after/upon coming into effect of this Scheme.
- 3.1.2.7 All the profits or incomes accruing or arising to the Transferor Company, or expenditure or losses arising or incurred (including the effect of taxes, if any, thereon) by the Transferor Company shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses or taxes of the Transferee Company, as the case may be.
- 3.1.3 It is clarified that all assets and receivables whether contingent or otherwise of the Transferor Company as on start of business on the Appointed Date whether provided for or not, in the books of accounts and all other assets or receivables which may accrue or arise on or after the Appointed Date but which relate to the period up to the Appointed Date shall be the assets and receivables of the Transferee Company.
- 3.1.4 The aforesaid transfer/vesting, shall be, subject to the existing validly created charge/mortgage/hypothecation over the said assets or any part of it, provided however, that any reference in any security documents to which the Transferor Company is a party, to such assets of the Transferor Company, offered or agreed to be offered as security for any financial assistance both availed and to be availed up to any limit for which sanctions have already been obtained by the

Transferor Company or obligations to the secured creditors of the Transferor Company shall be construed as references only to the assets pertaining to the Transferor Company as are vested in the Transferee Company by virtue of the aforesaid Clause 3.1.1 of the Scheme to the end and intent that such security, mortgage and/or charge shall not extend or deemed to extend to any of the assets or to any of the other units or divisions or undertakings of the Transferee Company, unless specifically and in writing agreed to by the Transferee Company with such secured creditors and subject to the consents and approvals of the existing secured creditors of the Transferee Company with such secured creditors and subject to the consents and approvals of the existing secured creditors of the Transferee Company either on *pari passu* basis or otherwise, as may be agreed to by the Transferee Company and the secured creditors. The secured creditors of the Transferee Company shall continue to have a charge over the assets of the Transferee Company and such charge shall not extend to the assets of the Transferor Company, transferred to the Transferee Company pursuant to the Scheme. In respect of the floating charges created by the Transferor Company in favour of its lenders for all the movable assets, documents of title to goods, receivables, claims and other current assets that are acquired by the Transferor Company from the Appointed Date till the Effective Date shall be deemed to be the security and shall be available as security for the loans, cash credits and other working capital facilities, both fund based and non-fund based, which were sanctioned by the lenders of the Transferor Company, either utilised fully or partly or unutilised by the Transferor Company, subject to the limits sanctioned by the lenders.

### **3.2 TRANSFER OF LIABILITIES**

Upon coming into effect of the Scheme and with effect from the Appointed Date:

- 3.2.1 All secured and unsecured debts, (whether in Rupees or in foreign currency) all liabilities, duties and obligations of the Transferor Company (hereinafter referred to as the “**said Liabilities**”) shall also be and stand transferred or be deemed to be and stand transferred, without any further act, instrument or deed, to the Transferee Company, pursuant to the provisions of Section 232 of the Companies Act, 2013 read with Section 234 of the Companies Act, 2013 and provisions of Section 322C.1005 of the Minnesota Statutes in relation to the Transferor Company and other Applicable Laws so as to become as and from the Appointed Date the debts, liabilities, duties and obligations of the Transferee Company such that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this clause. Provided always that nothing in this clause shall or is intended to enlarge the security for any loan, deposit or other indebtedness created by the Transferor Company prior to the Appointed Date which shall be transferred to and be vested in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be required or obliged in any manner to create any further or additional security thereof after the Appointed Date or otherwise.

- 3.2.2 Any loans or other obligations due between or amongst the Transferor Company and the Transferee Company shall stand discharged and there shall be no liability or debt in that behalf. It is clarified that all debts, liabilities, duties, responsibilities and obligations of the Transferor Company as on start of business on the Appointed Date whether provided for or not in the books of accounts and all other liabilities etc which may accrue or arise on or after the Appointed Date but which relates to the period up to the Appointed Date shall be the debts, liabilities, duties and obligations of the Transferee Company.
- 3.2.3 All the loans advanced and other facilities sanctioned to the Transferor Company by its bankers/financial institutions prior to the Appointed Date which are partly drawn/utilised shall be deemed to be the loans/advances sanctioned to the Transferee Company and the said loans and advances shall be drawn/utilised either partly or fully by the Transferor Company from the Appointed Date till the Effective Date and all the loans/advances and/or other facilities so drawn by the Transferor Company shall on the Effective Date be treated as the advances and loans made available to the Transferee Company and any balance in the said accounts shall be transferred to the Transferee Company and all the obligations of the Transferor Company under any loan agreement shall be construed as and shall become the obligation of the Transferee Company without any further act or deed on the part of the Transferee Company.
- 3.2.4 The Transferee Company may at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any Applicable Law or otherwise, execute deeds of confirmation, in favour of the secured creditors of the Transferor Company or in favour of any other party to any contract or arrangement to which they are a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to implement or carry out all such formalities or compliance referred to above on their part to be carried out or performed.
- 3.2.5 It is hereby clarified that merely the increase in the size and turnover of the Transferee Company subsequent to this Scheme shall not have the effect of increasing any liability or penalty on the Transferee Company for any matters that arise prior to the Appointed Date.
- 3.2.6 Upon coming into effect of the Scheme, benefits of all taxes paid including any advance tax and tax deductions right to carry forward and set off unabsorbed losses, unused tax credits, tax deductions and depreciation by the Transferor Company from the Appointed Date, regardless of the period to which they relate, shall be deemed to be paid for and on behalf of and to the credit of the Transferee Company as effectively as if the Transferee Company has paid or incurred the same and shall be deemed to be the rights/claims of the Transferee Company.
- 3.2.7 The existing social security or labour welfare schemes, and pension and / or superannuation fund or trusts created by the Transferor Company or any other special funds created or existing for the benefit of the employees of the

Transferor Company shall at an appropriate stage be transferred to the relevant funds of the Transferee Company and till such time shall be maintained separately.

- 3.2.8 The Transferee Company, if necessary shall take steps for suitable alterations in the Memorandum of Association and Articles of Association so as to enable it to implement this Scheme as may be required.

### **3.3 CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS**

Subject to the other provisions contained in the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which the Transferor Company is a party subsisting or having effect immediately before the amalgamation, shall be, in full force and effect, against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and effectively as if instead of the Transferor Company, the Transferee Company had been a party thereto. The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmation or enter into any tripartite arrangement, confirmations or novations to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this clause, if so required or it becomes necessary.

### **3.4 TREATMENT OF TAXES PAID BY THE TRANSFEROR COMPANY**

All taxes, levies, cess etc. (whether direct or indirect) that might have been paid by the Transferor Company (whether before the Appointed Date or after the Appointed Date) during the period when the merger has not become effective for any tax liability that arises after the Appointed Date shall be deemed to be tax paid by the Transferee Company and credit in respect thereof shall be given to the Transferee Company accordingly.

### **3.5 TREATMENT OF SCHEME FOR THE PURPOSES OF THE INCOME TAX ACT, 1961**

- 3.5.1 This Scheme has been drawn up to comply and come within the definition and conditions relating to "Amalgamation" as specified under Section 2(1B) and Section 47 of the Income Tax Act, 1961.
- 3.5.2 If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said sections of the Income Tax Act, 1961, at a later date, including resulting from an amendment of any Applicable Law or for any other reason whatsoever, the Scheme shall stand modified/amended to the extent determined necessary to comply and come within the definition and conditions relating to "Amalgamation" as specified in the Income Tax Act, 1961. In such an event the clauses which are inconsistent shall be read down or if the need arises be deemed to be deleted and such modification/reading down or deemed deletion shall however not affect the other parts of the Scheme.

3.5.3 Any refund under the tax laws received by or due to the Transferor Company consequent to any assessments made on the Transferor Company subsequent to the Appointed Date pertaining to the business transferred and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date, shall also belong to and be received by the Transferee Company.

#### **4. TRANSFER OF EMPLOYEES**

On the Effective Date:

4.1 The services of all the employees of the Transferor Company shall stand transferred to the Transferee Company on the terms and conditions not less beneficial to such employees than those subsisting with reference to the Transferor Company. The position, rank, and designation of the employees would be decided by the Transferee Company.

4.2 The services of such employees shall not be treated as broken or interrupted for the purposes of bonus, provident fund, gratuity, superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the respective Transferor Company, as the case may be.

4.3 Subject to Clause 4.1, the Transferee Company shall have the right to transfer such employees to any unit, division, profit/cost centre or department of the Transferee Company situated anywhere in India or abroad if warranted and as may be deemed necessary from time to time.

4.4 The Transferee Company shall assume all of the rights, obligations, and liabilities of the Transferor Company in connection with any immigration related matters including any programs, fillings, etc. in the United States of America.

4.5 In regard to labour welfare fund or social security benefits or any other special fund created or existing for the benefit of such employees of the Transferor Company, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever relating to the administration or operation of such schemes or funds in relation to the obligations to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such schemes or funds shall become those of the Transferee Company and if necessary the names of the aforesaid funds or schemes will be suitably changed. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of the aforesaid schemes, fund, trusts, etc. In the event that the trustees/funds are constituted as holders of any securities, trust funds of trust monies, in relation to any provident fund trust, gratuity trust or superannuation trust of the Transferor Company, such funds/securities/ monies shall be transferred by such funds/ trustees of the trusts

of the Transferor Company to such funds/trustees of the trusts of the Transferee Company as may be existing or set up for the same purpose and object and such transfer shall be deemed to be a transfer of trust property from one set of trustees to another set of trustees in accordance with the provisions of the Applicable Laws and relevant stamp legislation as applicable. In such case, appropriate Deed(s) of Trust and/or documents for transfer of trust properties shall be executed simultaneously upon the sanction of the Scheme in accordance with the terms hereof by the trustees in favour of the trusts of the Transferee Company so as to continue the benefits of the employees. For this purpose such funds or schemes of the Transferor Company may be continued and/or amalgamated with and/or transferred to the similar funds/schemes of the Transferee Company, if the Transferee Company considers so desirable or deemed fit for the smooth administration, management, operation and uniformity of such funds/schemes so however, that such funds/schemes do not become less favourable to the employees of the Transferor Company with reference to those on the date preceding the Effective Date. The trustees including the Board of Directors of the Transferee Company shall be entitled to adopt such course in this regard as may be advised provided however that there shall be no discontinuation or breakage in the service of the employees of the Transferor Company.

- 4.6 It is clarified that with regard to such employees of the Transferor Company who have ceased to be the employees of the Transferor Company on account of reasons other than any disciplinary action that may have been taken against such employees by the Transferor Company, from the Appointed Date, the Transferee Company shall assume all the responsibilities and obligations of the Transferor Company towards such employees until the said responsibilities and obligations stand duly discharged in law.

## **5. CONDUCT OF BUSINESS TILL EFFECTIVE DATE**

- 5.1 With effect from the Appointed Date and upto and including the Effective Date:

5.1.1 the Transferor Company shall be deemed to have been carrying on and shall carry on all their business(es) and activity(ies) and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all of the assets of the Transferor Company for and on account of and in trust for the Transferee Company. The Transferor Company hereby undertakes to hold the said assets with utmost prudence until the Effective Date.

5.1.2 the Transferor Company shall carry on their business and activities with reasonable diligence, business prudence in the ordinary course of business and shall not (without the prior written consent of the Transferee Company) alienate, charge, mortgage, encumber or otherwise deal with or dispose of any of its units/undertakings or any part thereof except pursuant to any pre-existing obligation undertaken by the Transferor Company prior to the Appointed Date.

5.1.3 all the profits or income accruing to the Transferor Company or expenditure or losses arising or incurred or suffered by Transferor Company shall pursuant to coming into effect of the Scheme for all purposes be treated and be deemed to



be and accrue as the income or profits or losses or expenditure, as the case may be, of the Transferee Company.

- 5.2 Save as provided for in this Scheme, the Transferor Company shall not make any change in its capital structure either by any increase (*by fresh issue of equity shares whether by way of public issue, private placement, on a rights basis, or issuance of bonus shares, convertible debentures or otherwise*), decrease, reduction, reclassification, sub-division or consolidation, re-organisation, or in any other manner which may, in any way, affect the operation of the Scheme, except by mutual consent of the respective Boards of Directors of the Transferor Company and Transferee Company.
- 5.3 The Transferor Company shall also be entitled, pending the sanction of the Scheme, to apply to the Appropriate Authority, as are necessary for such consents, approvals and sanctions which the Transferee Company may require.
- 5.4 The Transferee Company shall carry on the business of the Transferor Company after the Effective Date.

## **6 CONCLUDED MATTERS**

The transfer and vesting of the assets and the liabilities in the Transferee Company and the continuance of contracts or proceedings by or against the Transferee Company as provided in this Scheme shall not affect any contract or proceedings relating to the assets and the liabilities, fully performed and completed by the Transferor Company before the Appointed Date and the Transferee Company accepts and adopts all such acts, deeds, matters and things done and or executed by the Transferor Company in this regard.

## **7 DISOLUTION OF THE TRANSFEROR COMPANY**

- 7.1 On the Scheme becoming effective, Transferor Company shall stand dissolved without being wound up pursuant to the provisions of Sections 322C.0701 through 322C.0707 or Article V of the Transferor Company Operating Agreement.

## **8 CONSIDERATION BY THE TRANSFEE COMPANY**

- 8.1 The Transferor Company is the wholly owned subsidiary of the Transferee Company and the entire membership interest of Transferor Company is held by the Transferee Company. The Transferor Company undertakes not to effect any change in its membership interests till this Scheme comes into effect. Upon the coming into effect of this Scheme, the investment made by the Transferee Company in the membership interest of the Transferor Company shall stand cancelled and no shares shall be issued by the Transferee Company to the member of the Transferor Company, without there being any further act or deed in furtherance thereof.
- 8.2 Upon the Scheme becoming effective, the entire membership interest of the Transferor Company shall be cancelled and extinguished.

## **9 ACCOUNTING TREATMENT**

- 9.1.1 The Transferee Company shall, upon the Scheme becoming operative, record the assets and liabilities of the Transferor Company vested in it pursuant to this Scheme, in accordance with the applicable accounting standards specified under Section 133 of the Companies Act, 2013.
- 9.1.2 The investments made in the share capital of the Transferor Company by Transferee Company will stand cancelled.
- 9.1.3 Upon the Scheme becoming effective, any goodwill arising out of amalgamation, shall be treated in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013.

## **10 PENDING LEGAL PROCEEDINGS**

If any suit, appeal or other proceeding of whatever nature by or against Transferor Company be pending, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the amalgamation 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. Therefore, upon this Scheme coming into effect, all legal actions, suits, writs or other proceedings by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and be enforced by or against the Transferee Company, as the case may be, as effectually as if the same had been pending and/or arising by or against the Transferee Company. As contemplated by Section 322C.1005, Subd. 2, of the Minnesota Statutes, the Transferee Company, as of the Effective Date, consents to the jurisdiction of the courts of the State of Minnesota to enforce any debt, obligation, or other liability owed by the Transferor Company if before the Effective Date, the Transferor Company is subject to suit in the State of Minnesota on such debt, obligation, or other liability. If the Transferee Company is not authorized to transact business as a foreign organization in the State Minnesota, the Transferee Company appoints the Secretary of State of the State of Minnesota as its agent for service of process for the purposes of enforcing a debt, obligation, or other liability under Section 322C.1005, Subd. 2, of the Minnesota Statutes.

## **11 APPLICATION TO THE HONOURABLE NATIONAL COMPANY LAW TRIBUNAL AND OTHER APPLICABLE AUTHORITIES**

- 11.1 The Transferee Company shall, with all reasonable dispatch, make application to the Tribunal where the registered office of the Transferee Company is situated, for sanctioning this Scheme under Section 230 to 232 of the Companies Act, 2013 read with Section 234 of the Companies Act, 2013 for an Order or Orders thereof sanctioning this Scheme and for carrying this Scheme into effect.

- 11.2 The Transferor Company shall initiate and pursue all actions necessary under the Section 322C.1001 through 322C.1005 of the Minnesota Statutes and provisions of any other Applicable Law under the State of Minnesota, United States of America for sanctioning of the Scheme and obtain all such approvals if any, as may be required under the relevant Applicable Laws.

## **12 MODIFICATIONS/AMENDMENTS TO THE SCHEME**

- 12.1 The Transferor Company and Transferee Company by their respective Boards of Directors may make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the court or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. The Transferor Company and Transferee Company by their respective Boards of Directors shall be authorised 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.
- 12.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate(s)/ representative(s) of the Transferee Company may give and are hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

## **13 SCHEME CONDITIONAL ON APPROVALS/SANCTIONS**

- 13.1 The Scheme is condition on and subject to:
- 13.1.1 Approval of the Scheme by the requisite majority of the members, creditors and such class of persons of the Transferee Company as may be directed by the Tribunal on applications made for directions under Section 230 of the Companies Act, 2013.
- 13.1.2 Approval of the Scheme by the Board of Directors and the sole member of the Transferor Company as may be prescribed under the applicable provisions of Section 322C.1003 of the Minnesota Statutes, all other Applicable Laws and the Transferor Company Operating Agreement.
- 13.1.3 Sanctions and Orders under the provisions of Section 230 read with Section 232 and Section 234 of the Company Act, 2013 being obtained by the Transferee Company from the Tribunal.
- 13.1.4 All other sanctions and approvals as may be required by any Applicable Law in respect of this Scheme being obtained.

13.2 This Scheme, although to come into operation from the Appointed Date, shall not become effective until the last of the following dates, namely:

13.2.1 That on which the last of the aforesaid consents, approvals, permissions, resolutions, assignments and orders as mentioned in Clause 13.1 shall be obtained or passed.

13.2.2 That on which all necessary certified copies of Orders under Section 230 read with Section 232 and 234 of the Companies Act, 2013 shall be duly filed with the Registrar of Companies, Karnataka and such other Appropriate Authority located in the State of Minnesota, United States of America, if so required.

13.2.3 That articles of merger executed by the Transferor Company and the Transferee Company, shall be filed with the Minnesota Secretary of State as contemplated by and in compliance with Section 322C.1004 of the Minnesota Statutes.

The last of such dates shall be the “**Effective Date**” for the purpose of this Scheme.

#### **14 OPERATIVE DATE OF THE SCHEME**

It is clarified that the Scheme shall become effective from the Effective Date however it shall be operative from the Appointed Date.

#### **15 COSTS**

15.1 All costs, charges and expenses including stamp duty and registration fee of any deed, document, instrument or court’s order including this Scheme or in relation to or in connection with negotiations leading upto the Scheme and of carrying out and implementing the terms and provisions of this Scheme and incidental to the completion of arrangement in pursuance of this Scheme shall be borne and paid by the Transferee Company.

#### **16. EFFECT OF NON RECEIPT OF APPROVAL/SANCTION**

In the event of any of the said sanctions and approvals referred to in Clause 13 above not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the Tribunal/ Appropriate Authority and/or Order or Orders not being passed as aforesaid before or within such further period or periods as may be agreed upon between the Boards of Directors of the Transferor Company and the Transferee Company (who are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective delegate(s)) or for any other reason this Scheme cannot be made effective, this Scheme shall stand revoked, cancelled, be of no effect and be null and void. No rights and liabilities shall accrue to or be incurred inter-se by the parties in terms of the Scheme, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or

obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as may otherwise arise in law. Further the Boards of Directors of the Transferor Company and Transferee Company shall be entitled to revoke, cancel and declare the Scheme to be of no effect if such Boards are of view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the drawn up Orders with any authority could have serious financial implication on the Transferor Company and/or the Transferee Company or any of the aforesaid company. And in case of any of the aforesaid events, each party shall bear their respective costs, charges and expenses in connection with this Scheme.

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