

Price Waterhouse Chartered Accountants LLP

The Board of Directors,
Tejas Networks Limited,
5th Floor, J P Software Park,
Plot No. 25, Sy.No.13,14,17 and 18,
Konnapanan Agrahara Village,
Begur Hobli, Bengaluru - 560100

Auditor's Certificate on compliance of the proposed accounting treatment in the Draft Scheme of Amalgamation with SEBI Listing Regulations and the applicable accounting standards

- 1) This certificate is issued in accordance with the terms of our agreement dated September 28, 2022.
- 2) We, the statutory auditors of Tejas Networks Limited (hereinafter referred to as "the Company" or the "Transferee Company"), have examined the proposed accounting treatment specified in clause 9 of the Draft Scheme of Amalgamation of Saankhya Labs Private Limited (Transferor Company 1) and Saankhya Strategic Electronics Private Limited ("Transferor Company 2") with the Company and their respective shareholders (the "Draft Scheme") as approved by the Board of Directors of the Company in their meeting held on September 29, 2022, in terms of the provisions of sections 230 to 232 of the Companies Act, 2013 (the "Act") with reference to its compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations") and the Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 issued by SEBI (the "Master Circular"), and the applicable accounting standards specified under Section 133 of the Act (the 'applicable accounting standards') and other generally accepted accounting principles. We have initialed the Draft Scheme for identification purpose only.

Management's Responsibility

- 3) The responsibility for the preparation of the Draft Scheme and its compliance with the Act and SEBI Listing Regulations and the Master Circular, including the applicable accounting standards and other generally accepted accounting principles as aforesaid, is that of the Board of Directors of the Company.

Auditor's Responsibility

- 4) Pursuant to the requirements of proviso to sub-section (7) of section 230 of the Act read with the Master Circular, our responsibility is to examine the Draft Scheme and certify whether the accounting treatment contained in clause 9 of the Draft Scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Master Circular and the applicable accounting standards specified under Section 133 of the Act and other generally accepted accounting principles.
- 5) We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
- 6) We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.



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Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

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Conclusion

- 7) Based on our examination and according to the information and explanations given to us, pursuant to the requirements of proviso to sub-section (7) of section 230 of the Act read with the Master Circular, we confirm that the accounting treatment contained in clause 9 of the Draft Scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Master Circular and the applicable accounting standards specified under Section 133 of the Act, and other generally accepted accounting principles.

Emphasis of Matter

- 8) We draw your attention to clause 4 of the Scheme which requires all assets and liabilities of the transferor company 2 to be transferred and vested from the appointed date and Clause 17 which provides for certain conditions to be fulfilled for the scheme to be effective. However, Clause 9 of the Scheme requires accounting treatment to be carried out in accordance with Ind AS 103 (Business Combinations) i.e. from the beginning of the preceding period in the financial statements or from the date when common control was established in respect of the transferor companies, whichever is later. Our opinion is not modified in respect of this matter.

Restriction on Use

- 9) Our work was performed solely to assist you in meeting the requirements of the Act and the Master Circular to enable the Company to file the Draft Scheme with the Stock Exchanges, the National Company Law Tribunal (NCLT) and regional director. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability is in no way changed by any other role we may have as auditors of the Company or otherwise. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.
- 10) This Certificate is issued at the request of the Board of Directors of the Company to whom it is addressed, for onward submission to the Stock Exchanges, the NCLT and regional director and should not be used for any other purpose. We do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants



Mohan Danivas S A
Partner
Membership Number: 209136
UDIN: 22209136AWJIDM7215

Place: Bengaluru
Date: September 29, 2022

SCHEME OF AMALGAMATION

OF

**SAANKHYA LABS PRIVATE LIMITED
("TRANSFEROR COMPANY 1")**

AND

**SAANKHYA STRATEGIC ELECTRONICS PRIVATE LIMITED
("TRANSFEROR COMPANY 2")**

WITH

**TEJAS NETWORKS LIMITED
("TRANSFeree COMPANY")**

AND

THEIR RESPECTIVE SHAREHOLDERS

UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

(A) DESCRIPTION OF COMPANIES

- 1. Saankhya Labs Private Limited ("Transferor Company 1")**, is a company incorporated under the provisions of the Companies Act, 1956. The Transferor Company 1 is engaged in the business of wireless communication products for telecom, satcom and broadcast industries. Focus areas of the Transferor Company 1 include wireless semiconductor, telecom infrastructure, Software Defined Radio (SDR), and Cognitive Radio technologies. The Transferor Company 1 provides wireless products to telecom operators which include 5G Radio Access Network (RAN) and Network automation and management software. Broadcast radio heads and mobile receiver products of the Transferor Company 1 are designed for convergence of broadcast and telecom networks, and its satcom products include satellite IoT solutions for tracking railway locomotives and sea vessels. The Transferee Company holds 64.40% of the total outstanding equity share capital of the Transferor Company 1.
- 2. Saankhya Strategic Electronics Private Limited ("Transferor Company 2")**, is a company incorporated under the provisions of the Companies Act, 2013. The Transferor Company 2 was incorporated with the main objective to develop, maintain and service all types of communication systems, electronic products, semiconductor integrated circuits/ chips, micro controllers, digital signal processors, processing algorithms, embedded software and related hardware and software. The Transferor Company 2 is a wholly owned subsidiary of the Transferor Company 1.
- 3. Tejas Networks Limited ("Transferee Company")** is a company incorporated under the provisions of the Companies Act, 1956. The Transferee Company is an optical and data networking products company that designs, develops and manufactures high-performance and future-ready products for building high-speed communication networks that carry voice, data and video traffic from fixed line, mobile and broadband networks. The Transferee Company's products are differentiated by a programmable, software defined hardware



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architecture that provides flexibility, multigeneration support and a seamless software-enabled network transformation to its customers. The Transferee Company's customers include telecommunications service providers, internet service providers, web-scale internet companies, utility companies, defense companies and government entities. The equity shares of the Transferee Company are listed on the BSE Limited and the National Stock Exchange of India Limited.

(B) OVERVIEW OF THE SCHEME

1. This Scheme (*as defined hereinafter*) is presented under Sections 230 to 232 and other applicable provisions of the Act read with Section 2(1B) and applicable provisions of the Income Tax Act (*as defined hereinafter*) and other applicable law, if any and provides for the amalgamation of the Transferor Companies (*as defined hereinafter*) with the Transferee Company and dissolution of Transferor Companies without winding up; and
2. This Scheme also provides for various other matters consequent and incidental thereto or otherwise integrally connected thereto.

(C) RATIONALE

The Transferor Companies are direct/indirect subsidiaries of the Transferee Company. It is proposed to integrate their businesses to achieve following benefits:

- (a) enhancement of operational, organizational and financial efficiencies, and achieve economies of scale by pooling of resources;
- (b) achieve synergies in revenue, costs, operations, and stronger base for future growth;
- (c) an integrated and coordinated approach to business will allow for a more efficient allocation of capital and cash management;
- (d) further expand and grow all business into the international markets;
- (e) reduction in the multiplicity of legal and regulatory compliances currently required to be carried out by Transferor Companies and the Transferee Company;
- (f) consolidation of administrative and managerial functions and elimination of multiple record-keeping, *inter alia* other expenditure and optimal utilization of resources
- (g) adaptation of best practices and in enhancing mechanisation/ automation of various processes through latest technologies.
- (h) Streamlining of the corporate structure; and
- (i) improved organizational capability and leadership, arising from the pooling of human capital that has diverse skills, talent, and vast experience to compete in an increasingly competitive industry.

The amalgamation is in the interest of all the companies, their respective shareholders, creditors and all other stakeholders and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.

(D) PARTS OF THE SCHEME



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The Scheme (as defined hereinafter) is divided into the following parts:

1. **PART I** deals with the definitions, share capital of the Parties, date of taking effect and implementation of this Scheme;
2. **PART II** deals with amalgamation of the Transferor Companies with the Transferee Company; and
3. **PART III** deals with the general terms and conditions applicable to this Scheme.

PART I
DEFINITIONS, SHARE CAPITAL OF THE PARTIES AND DATE OF TAKING EFFECT
AND IMPLEMENTATION OF THIS SCHEME

1. DEFINITIONS

- 1.1 In this Scheme, unless inconsistent with the subject or context thereof (a) capitalised terms defined by inclusion in quotations and/ or parenthesis have the meanings so ascribed; (b) all terms and words not defined in this Scheme shall have the meaning ascribed to them under the relevant Applicable Law (as defined hereinafter); and (c) the following expressions shall have the meanings ascribed hereunder:

“Act” means the Companies Act, 2013;

“Applicable Law” or **“Law”** means any applicable central, provincial, local or other law including all applicable provisions of all (a) constitutions, decrees, acts, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, Tribunal having jurisdiction over the Parties; (b) Permits; and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Parties as may be in force from time to time;

“Appointed Date” means the opening hours of July 1, 2022 or such other date as may be agreed by the Board of the Parties;

“Appropriate Authority” means:

- (a) the government of any jurisdiction (including any central, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, central bank, commission or other authority thereof;
- (b) any public international organisation or supranational body and its institutions, departments, agencies and instrumentalities;
- (c) any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing or other governmental or quasi-governmental authority including (without limitation) SEBI, the Tribunal; and
- (d) Stock Exchanges.

“Board” in relation to the Parties, means the board of directors of such Party, and shall include



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a committee of directors or any person authorized by such board of directors or such committee of directors duly constituted and authorized for the matters pertaining to this Scheme or any other matter relating hereto;

"Effective Date" means the date on which last of the conditions specified in Clause 17 (Conditions Precedent) of this Scheme are complied with. Reference in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" or "effect of this Scheme" or "upon the Scheme becoming effective" shall mean the Effective Date;

"Encumbrance" means (a) any charge, lien (statutory or other), or mortgage, pledge, any easement, encroachment, right of way, right of first refusal or other encumbrance or security interest securing any obligation of any Person; (b) pre-emption right, option, right to acquire, right to set off or other third party right or claim of any kind, including any restriction on use, voting, transfer, receipt of income or exercise; or (c) any hypothecation, title retention, restriction, power of sale or other preferential arrangement; or (d) any agreement to create any of the above; and the term **"Encumber"** shall be construed accordingly;

"Income Tax Act" means the Income-tax Act, 1961;

"INR" or "Rupee(s)" means Indian Rupee, the lawful currency of the Republic of India;

"Parties" means collectively the Transferee Company and the Transferor Companies and **"Party"** shall mean each of them, individually;

"Permits" means all consents, licences, permits, certificates, permissions, authorisations, clarifications, approvals, entitlements, quotas, awards, sanctions, special status, privileges, clearances, confirmations, declarations, concessions, waivers, exemptions, registrations, filings, no objections, whether governmental, statutory, regulatory or otherwise as required under Applicable Law;

"Person" means an individual, a partnership, a corporation, a limited liability partnership, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or an Appropriate Authority;

"Registrar of Companies" or "RoC" means Registrar of Companies, Bangalore having jurisdiction over the Parties;

"Saankhya ESOP 2008" means the Employee Stock Option Plan (ESOP) Scheme, 2008 issued by the Transferor Company 1;

"Saankhya ESOP 2012" means the Employee Stock Option Plan (ESOP) Scheme, 2012 issued by the Transferor Company 1;

"Saankhya ESOPs" means collectively, the Saankhya ESOP 2008 and the Saankhya ESOP 2012;

"Scheme" or "this Scheme" means this scheme of amalgamation, as may be modified from time to time;

"SEBI" means the Securities and Exchange Board of India;

"SEBI Circular" means the circular issued by the SEBI, being SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, and any amendments thereof, modifications issued pursuant to regulations 11, 37 and 94 of the SEBI



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(Listing Obligations and Disclosure Requirements), Regulations, 2015;

“SEBI LODR Regulations” means SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, and any amendments thereof;

“SLPL ESOP Trust” means a trust established under deed dated March 8, 2012 under the provisions of Indian Trusts Act, 1882 including any statutory modification or re-enactment thereof, inter alia for implementation and administration of the Saankhya ESOPs, financing and holding the equity shares of the Transferor Company 1 for the benefit of its eligible employees in accordance with the terms and conditions of the Saankhya ESOPs;

“Stock Exchanges” means the National Stock Exchange of India Limited and BSE Limited collectively and Stock Exchange shall mean each of them individually;

“Tax Laws” means all Applicable Laws dealing with Taxes including but not limited to income-tax, wealth tax, sales tax/ value added tax, service tax, goods and service tax, excise duty, customs duty or any other levy of similar nature;

“Taxation” or **“Tax”** or **“Taxes”** means all forms of taxes (direct or indirect), surcharges and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, cess, fees, contributions and levies, tariffs, 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;

“Transferee Company” means Tejas Networks Limited, a public company incorporated under Companies Act, 1956, having its corporate identity number L72900KA2000PLC026980 and registered office at J P Software Park, Plot No 25, Sy. No 13, 14, 17, 18 Konnapana Agrahara Village, Begur Hobli, Bengaluru – 560 100, Karnataka, India;

“Transferor Company 1” means Saankhya Labs Private Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its corporate identity number U72200KA2006PTC041339 and registered office at 3rd Level, Mezaninne Floor, No.3, Infantry Road, Vasanth Nagar, Embassy icon Building, Bengaluru – 560 001, Karnataka, India;

“Transferor Company 2” means Saankhya Strategic Electronics Private Limited, a company incorporated under the provisions of the Companies Act, 2013 and having its corporate identity number U72900KA2020PTC136822 and registered office at No. 3, Embassy Icon, Ground Floor, Infantry Road, Bengaluru – 560 001, Karnataka, India;

“Transferor Companies” means the Transferor Company 1 and Transferor Company 2 collectively; and

“Tribunal” means the jurisdictional bench of the National Company Law Tribunal having jurisdiction over the Parties and appellate Authority thereof.

1.2 In this Scheme, unless the context otherwise requires:

1.2.1 words denoting the singular shall include the plural and *vice versa*;



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- 1.2.2 any Person includes that Person's legal heirs, administrators, executors, liquidators, successors, successors-in-interest and permitted assigns, as the case may be;
- 1.2.3 reference to any law or legislation or regulation shall include amendment(s), circulars, notifications, clarifications or supplement(s) to, or replacement or amendment of, that law or legislation or regulation;
- 1.2.4 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;
- 1.2.5 the words "include" and "including" are to be construed without limitation; and
- 1.2.6 reference to a document includes an amendment or supplement to, or replacement or novation of that document.

2. SHARE CAPITAL

- 2.1 The share capital structure of the Transferor Company 1 as on date of its Board approving the Scheme is as follows:

Particulars	Amount in INR
A. Authorised share capital	
1,07,28,000 equity shares of INR 10 each	10,72,80,000
36,85,700 Series C preference shares of INR 100 each	36,85,70,000
TOTAL	47,58,50,000
B. Issued and subscribed and fully paid up share capital	
97,07,821 equity shares of INR 10 each	9,70,78,210
C. 10,06,120 equity shares of INR 10 each - Recoverable from SLPL ESOP Trust	(1,00,61,200)
TOTAL (B+C)	8,70,17,010

As on the date of approval of the Board of the Transferor Company 1 to this Scheme, Transferee Company holds 62,51,496 equity shares, aggregating to 64.40% of the total paid-up capital (including shares held by SLPL ESOP Trust) of the Transferor Company 1.

- 2.2 The share capital structure of the Transferor Company 2 as on date of its Board approving the Scheme is as follows:

Particulars	Amount in INR
Authorised share capital	
1,00,000 equity shares of INR 10 each	10,00,000
TOTAL	10,00,000
Issued and subscribed and fully paid up share capital	
1,00,000 equity shares of INR 10 each	10,00,000
TOTAL	10,00,000

As on the date of approval of the Board of the Transferor Company 2 to this Scheme, entire share capital of the Transferor Company 2 is held by the Transferor Company 1.



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- 2.3 The share capital structure of the Transferee Company as on date of its Board approving the Scheme is as follows:

Particulars	Amount in INR
A. Authorised share capital	
26,00,00,000 equity shares of INR 10 each	260,00,00,000
TOTAL	260,00,00,000
B. Issued and subscribed and paid up share capital	
15,21,09,862 equity shares of INR 10 each, fully paid up	152,10,98,620
C. Add: Forfeited shares	3,27,27,930
TOTAL (B+C)	155,38,26,550

The Transferee Company has 1,55,03,876 outstanding warrants (each carrying a right to subscribe to 1 (one) equity share of the Transferee Company). Further, the Transferee Company has also issued restricted stock units / employee stock options. The exercise of such warrants and/ or restricted stock units / employee stock options, may result in an increase in the issued and paid-up share capital of the Transferee Company.

3. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

This Scheme in its present form or with any modification(s) made as per Clause 16 of this Scheme, shall become operative from the Effective Date and effective from the Appointed Date.

PART II

AMALGAMATION AND VESTING OF THE TRANSFEROR COMPANIES WITH THE TRANSFEE COMPANY

4. AMALGAMATION AND VESTING OF ASSETS AND LIABILITIES AND ENTIRE BUSINESS OF THE TRANSFEROR COMPANIES

4.1 Upon effectiveness of this Scheme and with effect from the Appointed Date and in accordance with the provisions of this Scheme and pursuant to Sections 230 to 232 and other applicable provisions of the Act and Section 2(1B) of the Income Tax Act, all assets, rights, claims, intellectual properties, brands, trademarks, credentials, Permits, contracts, liabilities, employees, loan, debentures, records, duties and obligations of the Transferor Companies shall stand transferred to and vested in the Transferee Company as a going concern, without any further act, instrument or deed matter or thing, or be deemed to have been transferred to and vested in the Transferee Company, so as to become as and from the Appointed Date, the assets, rights, claims, intellectual properties, credentials, Permits, contracts, liabilities, employees, loan, debentures, records, duties and obligations of the Transferee Company by virtue of operation of law, and in the manner provided in this Scheme.

4.2 Upon effectiveness of this Scheme and with effect from the Appointed Date, without prejudice to the generality of the provisions of Clause 4.1 above, the manner of transfer and vesting of assets and liabilities of the Transferor Companies under this Scheme, is as follows:

4.2.1 In respect of such of the assets and properties of the Transferor Companies which are movable in nature (including but not limited to computer & peripherals, office equipment, furniture & fixtures, electrical installation & equipment etc, all intangible assets, brands, trademarks, of the Transferor Companies, whether registered or



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unregistered trademarks along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights trademarks and all such other industrial and intellectual property rights of whatsoever nature) or are otherwise capable of transfer by delivery or possession or by endorsement, shall stand transferred upon the Scheme coming into effect and shall, *ipso facto* and without any other order to this effect, become the assets and properties of the Transferee Company without requiring any deed or instrument of conveyance for transfer of the same. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested, and title to the property shall be deemed to have been transferred accordingly;

- 4.2.2 With respect to the assets of the Transferor Companies, other than those referred to in Clause 4.2.1 above, including all rights, title and interests in the agreements (including agreements for lease, leave or licenses of the Properties), investments in shares (including in subsidiaries (whether in or outside India), joint ventures, associates, special purpose vehicles), mutual funds, bonds and any other securities, sundry debtors, unbilled debtors, outstanding loans, advances, margin money, retention money, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with any Appropriate Authority, customers and other persons, whether or not the same is held in the name of the Transferor Companies shall, without any further act, instrument or deed, cost or charge, without any notice or other intimation to any person, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company, with effect from the Appointed Date, by operation of law as transmission or as the case may be in favour of Transferee Company. Upon the Scheme becoming effective, all subsidy, benefits, incentives, grants, etc., enjoyed by the Transferor Companies, shall become subsidy, benefits, incentives, grants etc. of the Transferee Company, pursuant to Sections 230 to 232 of the Act, the relevant subsidy, benefit, incentive, grant, etc be paid or made good in favour of the Transferee Company, as the Person entitled thereto, to the end and intent that the right of the Transferor Companies, to recover or realise the same, stands transferred to the Transferee Company;
- 4.2.3 All debts (including debentures, bonds, notes, commercial papers and such other debt instruments), liabilities, duties and obligations (including any undertakings as promoter of its subsidiaries/ joint ventures/ associates and related obligations, sponsor support undertakings and related obligations, if any) of the Transferor Companies shall, without any further act, instrument or deed be transferred to, and vested in, and/or deemed to have been transferred to, and vested in, the Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations (including sponsor support undertakings and related obligations) of the Transferee Company on the same terms and conditions as were applicable to the Transferor Companies, and it shall not be necessary to obtain the consent of any Person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause 4;
- 4.2.4 On and from the Effective Date and till such time that the bank accounts of the Transferor Companies have been transferred in favour of the Transferee Company or the Transferor Company's name has been replaced with that of the Transferee Company, the Transferee Company shall be entitled to maintain and operate the bank accounts of the Transferor Companies in the name of the Transferor Companies and



for such time as may be determined to be necessary by the Transferee Company. All cheques and other negotiable instruments (including but not limited to bank guarantee(s), letter(s) of credit), payment orders, electronic fund transfers like NEFT, RTGS etc. received or presented for encashment which are in the name of the Transferor Companies after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company;

- 4.2.5 Unless otherwise agreed between the Parties, the vesting of all the assets of the Transferor Companies, as aforesaid, shall be along with the Encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such Encumbrances shall be confined only to the relevant assets of the Transferor Companies or part thereof on or over which they are subsisting prior to the amalgamation of the Transferor Companies with the Transferee Company, and no such Encumbrances shall extend over or apply to any other asset(s) of the Transferee Company; The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of this clause 4.2.5;
- 4.2.6 The existing Encumbrances over the assets and properties of the Transferee Company or any part thereof prior to the Effective Date shall continue to relate to such assets and properties and shall not extend to any of the assets and properties of the Transferor Companies transferred to and vested in the Transferee Company by virtue of this Scheme. This Scheme shall not operate to enlarge the Encumbrances, nor shall the Transferee Company be obliged to create any further or additional security after Scheme has become effective or otherwise;
- 4.2.7 Unless otherwise stated in this Scheme, all Permits, including the benefits attached thereto of the Transferor Companies, shall be transferred to the Transferee Company from the Appointed Date, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company and the Transferee Company shall be bound by the terms, obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company to carry on the operations of the Transferor Companies without any hindrance, whatsoever. To the extent of any duplication in any of the Permit, the Board of the Transferee Company, at its sole discretion, may identify such Permit which shall be cancelled or surrendered in such manner as may be prescribed by Applicable Law;
- 4.2.8 Without prejudice to the provisions as stated above, all trade and service names and marks, patents, copyrights, designs, goodwill, business and project credentials which includes the positive reputation that the Transferor Companies was enjoying to retain its clients, statutory licenses, infrastructural advantages, overall increase in market share, customer base, skilled employees, business claims, business information, business contracts, trade style and name, marketing and distribution channels, marketing or other commercial rights, customer relationship, trade secrets, information on consumption pattern or habits of the consumers in the territory, technical know-how, client records, KYC (know your customer) records/ POAs (power of attorney), authorisations, client details and other intellectual property rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, computer accessories, manuals, data, catalogues, quotations.,



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sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Transferor Companies shall be transferred to the Transferee Company from the Appointed Date, without any further act, instrument or deed;

- 4.2.9 All contracts, agreements (including joint venture agreements, memorandum of understandings, consortium agreements), undertakings of whatsoever nature, whether written or otherwise, deeds, bonds, arrangements, service agreements, insurance policies, letter of intent or other instruments, all assurances in favour of the Transferor Companies or powers or authorities granted to it, of whatever nature along with the contractual rights (including claim receivables and claim proceeds) and obligations to which the Transferor Companies is a party or to the benefit of which the Transferor Companies may be eligible and which are subsisting or having effect, immediately before the Effective Date, shall stand transferred to and vested and/or enure to the benefit of the Transferee Company pursuant to this Scheme becoming effective, without any further act, instrument, deed or thing. The absence of any formal amendment which may be required by a third party to effect such transfer and vesting shall not affect the operation of the foregoing sentence. Without prejudice to the foregoing, the Transferee Company on behalf of Transferor Companies or otherwise, may wherever necessary, enter into and/ or execute deeds, writings, confirmations or novations to all such contracts, if necessary, in order to give formal effect to the provisions of this Clause;
- 4.2.10 All letters of intent/ acceptance/ awards, memoranda, requests for proposal, qualifications, pre-qualifications, bid acceptances (including pending bid applications), tenders, and other instruments of whatsoever nature to which the Transferor Companies is a party to or to the benefit of which Transferor Companies may be eligible (including but not limited to entire experience, credentials, past record and market share), shall remain in full force and effect against or in favour of Transferee Company without any further act, instrument, deed or thing and may be enforced as fully and effectually as if, instead of Transferor Companies, the Transferee Company had been a party or beneficiary or obligee or applicant thereto; and
- 4.2.11 Provided that, upon this Scheme coming into effect, all inter-company transactions including loans, contracts executed or entered into by or *inter se* between the Transferor Companies and the Transferee Company, if any, shall stand cancelled with effect from the Effective Date and neither the Transferor Companies nor Transferee Company shall have any obligation or liability against the other party in relation thereto.
- 4.3 Without prejudice to the provisions of the foregoing sub-clauses of Clause 4.2 and notwithstanding that the vesting of assets, liabilities and entire business of the Transferor Companies with the Transferee Company occurs by virtue of this Scheme itself, the Parties may execute any and all instruments or documents and do all acts, deeds and things as may be required, including filing of necessary particulars and/or modification(s) of charge, necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to the Scheme. Any procedural requirements required to be fulfilled solely by the Transferor Companies, shall be fulfilled by the Transferee Company as if it were the duly constituted attorney of the Transferor Companies. The Transferee Company shall take such actions as may be necessary and permissible to get the assets, Permits and contracts



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of the Transferor Companies transferred and/or registered in its name.

- 4.4 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. 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, at a later date, including resulting from an amendment of 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 defined in the Income Tax Act. In such an event the clauses which are inconsistent shall be modified or if the need arises be deemed to be deleted and such modification/deemed deletion shall however not affect the other parts of the Scheme.

5. EMPLOYEES

- 5.1 With effect from the Effective Date, all employees of the Transferor Companies shall become employees of the Transferee Company, without any interruption in service and (on the basis of continuity of service), on terms and conditions no less favourable than those on which they are engaged by the Transferor Companies, immediately preceding the Effective Date. The Transferee Company undertakes to continue to abide by any agreement/ settlement or arrangement, if any, entered into or deemed to have been entered into by the Transferor Companies with any Persons in relation to the employees of the Transferor Companies. The Transferee Company agrees that the services of all such employees with the Transferor Companies prior to the transfer shall be taken into account for the purposes of all existing benefits (including any leave encashment benefits) to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retiral/ terminal benefits.

- 5.2 The accumulated balances, if any, standing to the credit of the aforesaid employees in the existing provident fund, gratuity fund and superannuation fund of which they are members, will be transferred respectively to such provident fund, gratuity fund and superannuation funds nominated by the Transferee Company and/or such new provident fund, gratuity fund and superannuation fund to be established in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities, by the Transferee Company. Upon transfer of aforesaid funds of the Transferor Companies, the existing trust, if any, created for such funds by the Transferor Companies shall stand dissolved and no further act or deed shall be required to this effect.

5.3 Employee stock options

- 5.3.1 Upon coming into effect of the Scheme, Saankhya ESOPs of the Transferor Company 1 shall automatically stand cancelled. Further, the Transferee Company shall formulate new employee stock option scheme/(s) by adopting the Saankhya ESOPs of the Transferor Company 1 or by modifying its existing employee stock benefit plans/ schemes, if any, as modified in accordance with the variations mentioned in this Clause 5.3, and/ or in accordance with Applicable Law;

- 5.3.2 With respect to the stock options granted by the Transferor Company 1 to the employees of the Transferor Company 1 or its subsidiaries or its holding companies under the Saankhya ESOPs; and upon the Scheme becoming effective, the said employees shall be issued 112 (One hundred and twelve) stock option by the Transferee Company under the new scheme(s) or existing employee stock benefit



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plans / schemes for every 100 (One hundred) stock option held in the Transferor Company 1, whether the same are vested or not on terms and conditions similar to the Saankhya ESOPs. Further, fractional entitlements, if any, arising pursuant to the issuance of aforesaid stock options shall be rounded off to the nearest lower integer; The exercise price payable, for exercise of options and receipt of shares granted by the Transferee company, shall be subject to adjustments, if required, taking into account the effect of the share exchange ratio mentioned in Clause 8.1 of this Scheme;

- 5.3.3 While granting stock options, the Transferee Company shall take into account the period during which the employees held stock options granted by the Transferor Company 1 prior to the issuance of the stock options by the Transferee Company, for determining of minimum vesting period required for stock options granted by the Transferee Company, subject to Applicable Law(s);
- 5.3.4 Approval granted to the Scheme by the shareholders of the Transferor Company 1 and the Transferee Company shall also be deemed to be approval granted to any modifications made to the Saankhya ESOPs of the Transferor Company 1 and approval granted to the new employee stock option scheme to be adopted by the Transferee Company, respectively; and
- 5.3.5 Immediately upon implementation of this Scheme, the trust deed dated March 8, 2012, governing the SLPL ESOP Trust, shall without any further act or deed, stand modified to include the following provisions:
- (a) authorising the trust to hold and deal with the shares issued pursuant to Clause 8.1 below and give effect to the aforesaid provisions;
 - (b) the expression "Employee" to also include the employees of the Transferee Company;
 - (c) the expression "Beneficiaries" to also include the employees of the Transferee Company as defined under the employee stock option plan adopted by the Transferee Company;
 - (d) the Board of the Transferee Company shall solely have the ability to appoint and/or remove the trustees and shall solely be liable for all acts and omissions in relation thereto; and
 - (e) such other amendments and modifications to give effect to this Scheme and provisions of any agreement or arrangement entered between the Parties.

6. LEGAL PROCEEDINGS

With effect from the Effective Date, if any suit, cause of action, appeal, tax proceedings, investigations, any enquiry or other legal, quasi-judicial, arbitral or other administrative proceedings of whatsoever nature by or against the Transferor Companies is pending on the Effective Date, and if such legal proceedings is capable of being continued by or against the Transferee Company under the Applicable Law, the same shall not abate, be discontinued or be in any way prejudicially affected by anything contained in this Scheme, but such proceedings of the Transferor Companies will 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 Companies as if this Scheme had not been made. On and from the Effective Date, the Transferee Company



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may initiate any legal proceeding for and on behalf of the Transferor Companies. All orders/ judgments/ awards of any Appropriate Authority in favour of the Transferor Companies or to the benefit of which Transferor Companies may be eligible, shall remain in full force and effect in favour of Transferee Company without any further act, instrument, deed or thing and may be enforced as fully and effectually as if, instead of Transferor Companies, the Transferee Company had been a party or beneficiary thereto.

7. TAXES/ DUTIES/ CESS

Upon the effectiveness of this Scheme and with effect from the Appointed Date, by operation of law pursuant to the order of the Authority:

- 7.1 All the profits and/ or income taxes (including but not limited to credit pertaining to advance tax, tax deducted at source, tax collected at source, foreign tax credits, dividend distribution tax, tax losses (if any), minimum alternate tax credit, any credit for dividend distribution tax on dividend received by the Transferor Companies), all input tax credit balances (including but not limited to Central Value Added Tax (CENVAT)/ service tax/ Value Added Tax (VAT), Modified Value Added Tax (MODVAT), sales tax, applicable excise and customs duties, State Goods and Service Tax (SGST), Integrated Goods and Services Tax (IGST) and Central Goods and Service Tax (CGST) credits under the goods and service tax laws) or any costs, charges, expenditure accruing to the Transferor Companies in India and abroad or expenditure or losses arising or incurred or suffered by the Transferor Companies shall for all purpose be treated and be deemed to be and accrue as the profits and/ or income taxes (including but not limited to credit pertaining to advance tax, tax deducted at source, tax collected at source, foreign tax credits, dividend distribution tax, minimum alternate tax credit, any credit for dividend distribution tax on dividend, tax losses (if any), all input tax credit balances (including but not limited to CENVAT/ service tax/ VAT, MODVAT, sales tax, applicable excise and customs duties, SGST, IGST and CGST credits under the goods and service tax laws), costs, charges, expenditure or losses of the Transferee Company, as the case may be.
- 7.2 If the Transferor Companies is entitled to any benefits under incentive schemes and policies under Tax Laws, such as tax deferrals, exemptions, benefits and subsidies under export-import policies, (including duty draw back, Duty Entitlement Passbook Scheme (DEPB), Merchandise Exports from India Scheme (MEIS), Service Exports from India Scheme (SEIS), Design Linked Incentive (DLI), Production Linked Incentive Scheme (PLI) etc) concessions, grants, rights, claims, leases, tenancy rights, liberties, and special status, all such benefits under all such incentive schemes and policies as mentioned above shall be available and stand vested in the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.
- 7.3 Any Tax, whether deducted at source or paid, by the Transferor Companies / Transferee Company on transactions with the Transferee Company / Transferor Companies (from Appointed Date to Effective Date), shall be deemed to be payment of Tax accruing or arising to the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 7.4 Further, for the avoidance of doubt, input tax credits already availed of or utilised by the Transferee Company and the Transferor Companies in respect of transactions between Transferee Company and the Transferor Companies shall not be adversely impacted by cancellation of such transaction pursuant to this Scheme. In case of any differences in tax policy/ regime followed by the Transferor Companies and the Transferee Company, the Transferee Company shall have its own independent right to select the tax policy/ regime.



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7.5 Upon the Scheme becoming effective and with effect from the Appointed Date, the Transferee Company shall have the right to revise its financial statements and returns along with prescribed forms, filings and annexures under the Tax Laws and to claim refunds and/or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of the Scheme. The Transferee Company is expressly permitted to revise and file its income tax returns and other statutory returns, even beyond the due date, if required, including tax deducted/ collected at source returns, service tax returns, excise tax returns, sales tax/ value added tax/ goods and service tax returns, as may be applicable and has expressly reserved the right to make such provision in its returns and to claim unabsorbed depreciation, bought forward losses, refunds, advance tax credits, credit of tax deducted at source, credit of foreign Taxes paid/ withheld, dividend distribution tax credits, service tax credits, tax benefits (including the Tax deduction available under Section 10AA of the IT Act) etc. if any, as may be required for the purposes of implementation of the Scheme.

7.6 It is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies, etc., the Transferor Companies, shall, if so required by the Transferee Company, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the Authority having sanctioned this Scheme under Sections 230 to 232 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Transferee Company, as the Person entitled thereto, to the end and intent that the right of the Transferor Companies, to recover or realise the same, stands transferred to the Transferee Company.

8. CONSIDERATION

8.1 Upon the Scheme coming into effect and in consideration of the amalgamation of the Transferor Company 1 with the Transferee Company, the Transferee Company shall, without any further application, act, consent, instrument or deed, issue and allot, on a proportionate basis to each shareholder of the Transferor Company 1, whose name is recorded in the register of members as member of the Transferor Company 1 as on the Effective Date, as under:

For every 100 equity shares of face value of INR 10 (Indian Rupees Ten) each held in the Transferor Company 1 shall be issued 112 equity shares of face value of INR 10 (Indian Rupees Ten) each as fully paid-up in the Transferee Company.

8.2 Since the Transferor Company 2 is wholly owned subsidiary of the Transferor Company 1, which will amalgamate with the Transferee Company pursuant to this Scheme, no consideration will be issued for the amalgamation of the Transferor Company 2 with the Transferee Company.

8.3 No equity shares shall be issued by the Transferee Company in respect of the shares held by the Parties inter-se and all such shares shall stand cancelled upon the Scheme becoming effective, without any further act or deed as an integral part of this Scheme.

8.4 Where Transferee Company New Equity Shares are to be allotted to heirs, executors or administrators, as the case may be, to successors of deceased equity shareholders or legal representatives of the equity shareholders of the Transferor Company 1, the concerned heirs, executors, administrators, successors or legal representatives shall be obliged to produce evidence of title satisfactory to the Board of the Transferee Company.

8.5 The Transferee Company New Equity Shares to be issued and allotted pursuant to



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amalgamation of the Transferor Companies with the Transferee Company under this Scheme shall be subject to the provisions of the memorandum of association and articles of association of Transferee Company and shall rank *pari passu* in all respects with any existing equity shares of the Transferee Company after the Effective Date including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached to the equity shares of the Transferee Company. The Transferee Company New Equity Shares issued to the shareholders of the Transferor Company 1 shall be fully-paid up and free of all liens, charges and Encumbrances, and shall be freely transferable in accordance with the articles of association of the Transferee Company and such other terms as may be agreed. The issue and allotment of the Transferee Company New Equity Shares is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Transferee Company or the Transferor Companies or their shareholders and as if the procedure laid down under the Act and such other Applicable Law as may be applicable, were duly complied with. It is clarified that the approval of the shareholders of the Transferee Company to this Scheme, shall be deemed to be their consent/ approval for the issue and allotment of the Transferee Company New Equity Shares.

- 8.6 Subject to Applicable Laws, the Transferee Company New Equity Shares that are to be issued in terms of this Scheme shall be issued in dematerialised form. The register of members maintained by the Transferee Company and/ or, other relevant records, whether in physical or electronic form, maintained by the Transferee Company, the relevant depository and registrar and transfer agent in terms of Applicable Laws shall (as deemed necessary by the Board of the Transferee Company) be updated to reflect the issue of Transferee Company New Equity Shares in terms of this Scheme.
- 8.7 For the purpose of the allotment of the Transferee Company New Equity Shares, pursuant to this Scheme, in case any shareholder's holding in the Transferor Company 1 is such that the shareholder becomes entitled to a fraction of a share of the Transferee Company, the Transferee Company shall not issue fractional shares to such shareholder and shall consolidate all such fractions and round up the aggregate of such fractions to the next whole number and issue consolidated Transferee Company New Equity Shares to a trustee (nominated by the Board of the Transferee Company in that behalf) in dematerialised form, who shall hold such shares, with all additions or accretions thereto, in trust for the benefit of the respective shareholders to whom they belong for the specific purpose of selling such shares in the market at such price or prices and at any time within a period of 90 days from the date of allotment of the Transferee Company New Equity Shares as the trustee may, in its sole discretion, decide and distribute the net sale proceeds (after deduction of the expenses incurred and applicable income tax) to the respective shareholders in the same proportion of their fractional entitlements. It is clarified that any such distribution shall take place only on the sale of all the fractional shares of the Transferee Company pertaining to the fractional entitlements.
- 8.8 In the event, any or all of the Parties restructure their share capital by way of share split / consolidation/ issue of bonus shares or any other corporate action during the pendency of the Scheme, the share exchange ratio stated in Clause 8.1 above shall be adjusted accordingly, without the requirement of any further approval from Appropriate Authority to consider the effect of any such corporate actions undertaken by such Party.
- 8.9 The Transferee Company shall apply for listing of the Transferee Company New Equity Shares on the Stock Exchanges in terms of and in compliance of SEBI LODR Regulations, SEBI Circular and other relevant provisions as may be applicable. The Transferee Company New Equity Shares allotted by the Transferee Company, pursuant to the Scheme, shall remain frozen in the depository system till listing/ trading permission is given by the designated Stock



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- 8.10 The Transferee 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 the Stock Exchanges.
- 8.11 It is clarified that the approval of the shareholders of the Transferee Company to this Scheme shall be deemed to be their consent/ approval also to the consequential alteration of its memorandum of association and articles of association or any other action contemplated as part of the Scheme pursuant to this Scheme and the Transferee Company shall not be required to seek separate consent / approval of its shareholders for such alteration or action, as required under Sections 13, 14, 42, 61, 64 and other applicable provisions of the Act.

9. ACCOUNTING TREATMENT

Notwithstanding anything to the contrary contained herein, the Transferee Company shall give effect to the amalgamation of the Transferor Companies in its books of account in accordance with Appendix C (Business combinations of entities under common control) of Ind AS 103- Business Combinations, other accounting principles prescribed under the Companies (India Accounting Standards) Rules, 2015 as notified under section 133 of Companies Act, 2013 and relevant clarifications issued by the Institute of Chartered Accountants of India and on the date determined in accordance with Ind AS.

10. COMBINATION OF AUTHORISED SHARE CAPITAL

- 10.1 Upon the effectiveness of this Scheme, the aggregate authorised share capital of the Transferor Companies as on the Effective Date will be reclassified, altered and combined with the authorised equity share capital of the Transferee Company as on the Effective Date and accordingly the authorised share capital of the Transferee Company shall stand increased without any further act, instrument or deed on the part of Transferee Company including payment of stamp duty and fees to RoC.
- 10.2 The memorandum of association and articles of association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders of the Transferee Company to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under the applicable provisions of the Act would be required to be separately passed, as the case may be, and for this purpose the stamp duty and filing fees paid on the authorized capital of the Transferor Companies shall be utilized and applied to the increased authorized share capital of the Transferee Company and the Transferee Company shall be required to pay only the balance stamp duty and filing fees, if any, in relation to the reclassified and combined authorized share capital after setting off the stamp duty and filing fees already paid by Transferor Companies on its authorized share capital.
- 10.3 Consequentially, Clause V of the memorandum of association of the Transferee Company shall without any act, instrument or deed be and stand altered, modified and amended, to reflect the increased combined authorised share capital as per Clause 10.1 above, pursuant to Sections 13, 14, 61, 64, and other applicable provisions of the Act.
- 10.4 It is clarified that the approval of the shareholders to the Scheme shall be deemed to be consent/ approval of the shareholders of the Transferee Company also to the alteration of the



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memorandum and articles of association of the Transferee Company as may be required under the Act.

11. DISSOLUTION OF THE TRANSFEROR COMPANIES

Upon the effectiveness of this Scheme, the Transferor Companies shall stand dissolved without winding up and the Board and any committees thereof of the Transferor Companies shall without any further act, instrument or deed be and stand discharged. On and from the Effective Date, the name of the Transferor Companies shall be struck off from the records of the concerned RoC.

PART III GENERAL TERMS & CONDITIONS

12. VALIDITY OF EXISTING RESOLUTIONS, ETC.

12.1 Upon the coming into effect of this Scheme, the resolutions/ power of attorney of/ executed by the Transferor Companies, as the case may be, as considered necessary by the Board of the Transferee Company, and that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions and power of attorney passed/ executed by the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then said limits as are considered necessary by the Board of the Transferee Company, as the case may be, shall be added to the limits, if any, under like resolutions passed by the Transferee Company, as the case may be, and shall constitute the aggregate of the said limits in the Transferee Company, as the case may be.

13. DIVIDENDS

13.1 The Parties shall be entitled to declare and pay dividends to their respective shareholders in the ordinary course of business, whether interim or final.

13.2 It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any shareholder of any of the Parties, 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 respective Parties, and subject to approval, if required, of the shareholders of the respective Parties.

14. BUSINESS UNTIL EFFECTIVE DATE

14.1 With effect from the date of approval of the Board of the Parties to the Scheme and up to and including the Effective Date, the Transferor Companies shall carry on its business with diligence and business prudence in the ordinary course consistent with past practice in good faith and in accordance with Applicable Law.

14.2 With effect from the Appointed Date and up to and including the Effective Date:

14.2.1 the Transferor Companies shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the assets, contracts, rights, titles, investments and interest for and on account of, and in trust for the Transferee Company;



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- 14.2.2 all profits or income arising or accruing to the Transferor Companies and all Taxes paid thereon (including but not limited to advance tax, tax deducted or collected at source, minimum alternate tax, dividend distribution tax, securities transaction tax, taxes withheld/ paid in a foreign country, goods and service tax, etc.) or losses arising or incurred by the Transferor Companies shall, for all purposes, be treated as and deemed to be the profits or income, Taxes or losses, as the case may be, of the Transferee Company;
- 14.2.3 all liabilities incurred by the Transferor Companies after the Appointed Date and prior to the Effective Date, and to the extent they are outstanding on the Effective Date, shall be deemed to be the liabilities of the Transferee Company; and
- 14.2.4 Any of the rights, powers, authorities, privileges exercised by the Transferor Companies shall be deemed to have been exercised by such Transferor Companies for and on behalf of, and in trust for the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by Transferor Companies shall be deemed to have been undertaken for and on behalf of the Transferee Company.
- 14.3 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Appropriate Authorities concerned as necessary under Applicable Law for such consents, approvals and sanctions which the Transferee Company, may require to carry on the relevant business of the Transferor Companies and to give effect to the Scheme.
- 14.4 For the purpose of giving effect to the order passed under Sections 230 to 232 and other applicable provisions of the Act in respect of this Scheme by the Tribunal, the Transferee Company, at any time pursuant to the orders approving this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the amalgamation of the Transferor Companies, in accordance with the provisions of Sections 230 to 232 of the Act. The Transferee Company shall always be deemed to have been authorized to execute any pleadings, applications, forms, etc, as may be required to remove any difficulties and facilitate and carry out any formalities or compliances as are necessary for the implementation of this Scheme. For the purpose of giving effect to the vesting order passed under Section 232 of the Act in respect of this Scheme, the Transferee Company, shall be entitled to exercise all rights and privileges, and be liable to pay all taxes and charges and fulfil all its obligations, in relation to or applicable to all immovable properties, including mutation and/ or substitution of the ownership or the title to, or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authority(ies) in favour of the Transferee Company, pursuant to the sanction of the Scheme by the Tribunal and upon the effectiveness of this Scheme in accordance with the terms hereof, without any further act or deed to be done or executed by the Transferee Company. It is clarified that the Transferee Company, shall be entitled to engage in such correspondence and make such representations, as may be necessary, for the purposes of the aforesaid mutation and/or substitution.

15. APPLICATIONS / PETITIONS TO THE TRIBUNAL

The Parties shall make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act before the Tribunal, for sanction of this Scheme under the provisions of the Act.

16. MODIFICATION OR AMENDMENTS TO THIS SCHEME



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- 16.1 The Board of the Parties may make any modifications or amendments to this Scheme at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable or appropriate. The Board of the Parties may consent to any conditions or limitations that the Tribunal or any other Appropriate Authority may impose.
- 16.2 For the purposes of giving effect to this Scheme, the Board of the Parties may give such directions including directions for settling any question or difficulty that may arise and such directions shall be binding on all Parties as if the same were specifically incorporated in this Scheme.
- 16.3 The Parties agree that if, at any time, either of the Tribunal or Appropriate Authority directs or requires any modification or amendment to this Scheme, such modification or amendment shall not, to the extent it adversely affects the interest of any of the Parties, be binding on such Parties, as the case may be, except where the written consent of the affected Party has been obtained for such modification or amendment.
- 16.4 In case, post approval of the Scheme by the Tribunal, there is any confusion in interpreting any Clause of this Scheme, or otherwise, the Board of the Parties or (after the Effective Date), the Board of the Transferee Company shall have complete power to take the most sensible interpretation so as to render the Scheme operational.
- 16.5 If any part of this Scheme is invalid, ruled illegal or rejected by the Tribunal or any court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to either the Transferor Companies or Transferee Company, in which case the Parties, acting through their respective Boards, shall attempt to bring about a modification in this Scheme, as will best preserve for the Parties, the benefits and obligations of this Scheme, including but not limited to such part, which is invalid, ruled illegal or rejected by the Tribunal or any court of competent jurisdiction, or unenforceable under present or future Applicable Laws.

17. CONDITIONS PRECEDENT

- 17.1 Unless otherwise decided (or waived) by Parties, the Scheme is conditional upon and subject to the following conditions precedent:
- 17.1.1 obtaining no-objection letter from the Stock Exchanges in relation to the Scheme under Regulation 37 of the SEBI LODR Regulations;
- 17.1.2 approval of the Scheme by the requisite majority of each class of shareholders, and such other classes of Persons of the Parties, if any, as applicable or as may be required under the Act and as may be directed by the Tribunal. Further, the Transferee Company complying with other provisions of the SEBI Circular, including seeking approval of the shareholders of the Transferee Company through e-voting, as applicable;
- 17.1.3 the sanctions and orders of the Tribunal, under Sections 230 to 232 of the Act being obtained by the Parties;
- 17.1.4 certified/ authenticated copies of the orders of the Tribunal, sanctioning the Scheme, being filed with the RoC having jurisdiction over the Parties; and



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17.1.5 any other matters expressly agreed as conditions precedent to the effectiveness of the Scheme amongst the Parties, including consents, approvals or permissions of the Appropriate Authority or any third parties, in writing.

17.2 It is hereby clarified that submission of this Scheme to the Tribunal and to the Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, title, or defences that Parties may have under or pursuant to all Applicable Laws.

17.3 On the approval of this Scheme by the shareholders of the Parties, and such other classes of Persons of the Parties, if any, pursuant to Clause 17.1.2 above, such shareholders and, classes of Persons shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the Scheme.

18. WITHDRAWAL OF THIS SCHEME AND NON-RECEIPT OF APPROVALS

18.1 Parties, acting jointly, shall be at liberty to withdraw the Scheme, any time before the Scheme is effective.

18.2 In the event of any of the requisite sanctions and approvals not being obtained on or before such date as may be agreed to by the Parties, this Scheme shall become null and void and each Party shall bear and pay its respective costs, charges and expenses for and/or in connection with this Scheme.

18.3 In the event of revocation/ withdrawal/ nullity of the Scheme under Clause 18.1 or Clause 18.2 above, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Parties or their respective shareholders or creditors or employees or any other Person, 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 is specifically provided in the Scheme or in accordance with Applicable Law or in accordance with any agreement entered by the parties and in such case, each Party shall bear its own costs, unless otherwise mutually agreed.

19. COSTS AND EXPENSES

Except as provided otherwise, all costs, charges and expenses (including, but not limited to, any taxes and duties, registration charges, etc.) in relation to carrying out, implementing and completing the terms and provisions of this Scheme and/or incidental to the completion of such parts of the Scheme until the date of sanction of this Scheme by the Tribunal shall be borne and paid by the Parties equally.

20. SAVING OF CONCLUDED TRANSACTIONS

Nothing in this Scheme shall affect any transaction or proceedings already concluded or liabilities incurred by the Transferor Companies, until the Appointed Date to the end and intent that the Transferee Company, shall accept and adopt all acts, deeds and things done and executed by the Transferor Companies in respect thereto as done and executed on behalf of the Transferee Company.



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Price Waterhouse Chartered Accountants LLP

Auditor's Certificate

The Board of Directors,
Saankhya Labs Private Limited
3rd Level, Mezaninne Floor, No.3, Infantry Road,
Vasanth Nagar, Embassy Icon Building,
Bengaluru-560001
Karnataka

- 1) This certificate is issued in accordance with the terms of our agreement dated September 28, 2022.
- 2) We, the statutory auditors of Saankhya Labs Private Limited, (hereinafter referred to as "the Company" or the "Transferor Company 1"), have examined the proposed accounting treatment specified in clause 9 of the Draft Scheme of Amalgamation of the Company and Saankhya Strategic Electronics Private Limited ("Transferor company 2") with Tejas Networks Limited (the "Transferee Company") and the respective shareholders, as approved by the Board of Directors of the Company in its meeting held on September 29, 2022, in terms of the provisions of sections 230 to 232 of the Companies Act, 2013 (the "2013 Act") (the Draft Scheme), with reference to its compliance with the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013 and other generally accepted accounting principles. We have initialled the Draft Scheme for identification purpose only.

Management's Responsibility

- 3) The responsibility for the preparation of the Draft Scheme and its compliance with the 2013 Act, including the applicable Accounting Standards and other generally accepted accounting principles as aforesaid, is that of the Board of Directors of the Company.

Auditors' Responsibility

- 4) Our responsibility is only to examine and report whether the accounting treatment in the books of the Transferor Company 1 as prescribed in the Draft Scheme complies with the applicable Accounting Standards and other generally accepted accounting principles.
- 5) We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
- 6) We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Conclusion

- 7) Based on our examination of the Draft Scheme and according to the information and explanation given to us, and as mentioned in Clause 11 of the Draft Scheme, upon the Scheme becoming effective, the Transferor Company 1 shall stand dissolved without being wound up and no specific accounting treatment in the books of the Transferor Company 1 has been prescribed in the Draft Scheme. Accordingly, the question of our commenting on the compliance of same with the applicable Accounting Standards and other generally accepted accounting principles does not arise.



Price Waterhouse Chartered Accountants LLP, 5th Floor, Tower 'D', The Millenia, 1 & 2 Murphy Road, Ulsoor
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Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

Price Waterhouse Chartered Accountants LLP

Restriction on Use

- 8) Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.
- 9) This Certificate is issued at the request of Company pursuant to the requirements of the 2013 Act for onward submission to the Stock exchanges, National Company Law Tribunal and the regional director. This Certificate should not be used for any other purpose without our prior written consent.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants



Mohan Danivas S A
Partner
Membership Number: 209136
UDIN: 22209136AWJIQJ2414

Place: Bengaluru
Date: September 29, 2022

SCHEME OF AMALGAMATION

OF

**SAANKHYA LABS PRIVATE LIMITED
("TRANSFEROR COMPANY 1")**

AND

**SAANKHYA STRATEGIC ELECTRONICS PRIVATE LIMITED
("TRANSFEROR COMPANY 2")**

WITH

**TEJAS NETWORKS LIMITED
("TRANSFEEEE COMPANY")**

AND

THEIR RESPECTIVE SHAREHOLDERS

UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

(A) DESCRIPTION OF COMPANIES

1. **Saankhya Labs Private Limited ("Transferor Company 1")**, is a company incorporated under the provisions of the Companies Act, 1956. The Transferor Company 1 is engaged in the business of wireless communication products for telecom, satcom and broadcast industries. Focus areas of the Transferor Company 1 include wireless semiconductor, telecom infrastructure, Software Defined Radio (SDR), and Cognitive Radio technologies. The Transferor Company 1 provides wireless products to telecom operators which include 5G Radio Access Network (RAN) and Network automation and management software. Broadcast radio heads and mobile receiver products of the Transferor Company 1 are designed for convergence of broadcast and telecom networks, and its satcom products include satellite IoT solutions for tracking railway locomotives and sea vessels. The Transferee Company holds 64.40% of the total outstanding equity share capital of the Transferor Company 1.
2. **Saankhya Strategic Electronics Private Limited ("Transferor Company 2")**, is a company incorporated under the provisions of the Companies Act, 2013. The Transferor Company 2 was incorporated with the main objective to develop, maintain and service all types of communication systems, electronic products, semiconductor integrated circuits/ chips, micro controllers, digital signal processors, processing algorithms, embedded software and related hardware and software. The Transferor Company 2 is a wholly owned subsidiary of the Transferor Company 1.
3. **Tejas Networks Limited ("Transferee Company")** is a company incorporated under the provisions of the Companies Act, 1956. The Transferee Company is an optical and data networking products company that designs, develops and manufactures high-performance and future-ready products for building high-speed communication networks that carry voice, data and video traffic from fixed line, mobile and broadband networks. The Transferee Company's products are differentiated by a programmable, software defined hardware



architecture that provides flexibility, multigeneration support and a seamless software-enabled network transformation to its customers. The Transferee Company's customers include telecommunications service providers, internet service providers, web-scale internet companies, utility companies, defense companies and government entities. The equity shares of the Transferee Company are listed on the BSE Limited and the National Stock Exchange of India Limited.

(B) OVERVIEW OF THE SCHEME

1. This Scheme (*as defined hereinafter*) is presented under Sections 230 to 232 and other applicable provisions of the Act read with Section 2(1B) and applicable provisions of the Income Tax Act (*as defined hereinafter*) and other applicable law, if any and provides for the amalgamation of the Transferor Companies (*as defined hereinafter*) with the Transferee Company and dissolution of Transferor Companies without winding up; and
2. This Scheme also provides for various other matters consequent and incidental thereto or otherwise integrally connected thereto.

(C) RATIONALE

The Transferor Companies are direct/indirect subsidiaries of the Transferee Company. It is proposed to integrate their businesses to achieve following benefits:

- (a) enhancement of operational, organizational and financial efficiencies, and achieve economies of scale by pooling of resources;
- (b) achieve synergies in revenue, costs, operations, and stronger base for future growth;
- (c) an integrated and coordinated approach to business will allow for a more efficient allocation of capital and cash management;
- (d) further expand and grow all business into the international markets;
- (e) reduction in the multiplicity of legal and regulatory compliances currently required to be carried out by Transferor Companies and the Transferee Company;
- (f) consolidation of administrative and managerial functions and elimination of multiple record-keeping, *inter alia* other expenditure and optimal utilization of resources
- (g) adaptation of best practices and in enhancing mechanisation/ automation of various processes through latest technologies.
- (h) Streamlining of the corporate structure; and
- (i) improved organizational capability and leadership, arising from the pooling of human capital that has diverse skills, talent, and vast experience to compete in an increasingly competitive industry.

The amalgamation is in the interest of all the companies, their respective shareholders, creditors and all other stakeholders and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.

(D) PARTS OF THE SCHEME



The Scheme (*as defined hereinafter*) is divided into the following parts:

1. **PART I** deals with the definitions, share capital of the Parties, date of taking effect and implementation of this Scheme;
2. **PART II** deals with amalgamation of the Transferor Companies with the Transferee Company; and
3. **PART III** deals with the general terms and conditions applicable to this Scheme.

PART I
DEFINITIONS, SHARE CAPITAL OF THE PARTIES AND DATE OF TAKING EFFECT
AND IMPLEMENTATION OF THIS SCHEME

1. DEFINITIONS

- 1.1 In this Scheme, unless inconsistent with the subject or context thereof (a) capitalised terms defined by inclusion in quotations and/ or parenthesis have the meanings so ascribed; (b) all terms and words not defined in this Scheme shall have the meaning ascribed to them under the relevant Applicable Law (*as defined hereinafter*); and (c) the following expressions shall have the meanings ascribed hereunder:

"Act" means the Companies Act, 2013;

"Applicable Law" or **"Law"** means any applicable central, provincial, local or other law including all applicable provisions of all (a) constitutions, decrees, acts, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, Tribunal having jurisdiction over the Parties; (b) Permits; and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Parties as may be in force from time to time;

"Appointed Date" means the opening hours of July 1, 2022 or such other date as may be agreed by the Board of the Parties;

"Appropriate Authority" means:

- (a) the government of any jurisdiction (including any central, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, central bank, commission or other authority thereof;
- (b) any public international organisation or supranational body and its institutions, departments, agencies and instrumentalities;
- (c) any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing or other governmental or quasi-governmental authority including (without limitation) SEBI, the Tribunal; and
- (d) Stock Exchanges.

"Board" in relation to the Parties, means the board of directors of such Party, and shall include



a committee of directors or any person authorized by such board of directors or such committee of directors duly constituted and authorized for the matters pertaining to this Scheme or any other matter relating hereto;

"Effective Date" means the date on which last of the conditions specified in Clause 17 (Conditions Precedent) of this Scheme are complied with. Reference in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" or "effect of this Scheme" or "upon the Scheme becoming effective" shall mean the Effective Date;

"Encumbrance" means (a) any charge, lien (statutory or other), or mortgage, pledge, any easement, encroachment, right of way, right of first refusal or other encumbrance or security interest securing any obligation of any Person; (b) pre-emption right, option, right to acquire, right to set off or other third party right or claim of any kind, including any restriction on use, voting, transfer, receipt of income or exercise; or (c) any hypothecation, title retention, restriction, power of sale or other preferential arrangement; or (d) any agreement to create any of the above; and the term **"Encumber"** shall be construed accordingly;

"Income Tax Act" means the Income-tax Act, 1961;

"INR" or "Rupee(s)" means Indian Rupee, the lawful currency of the Republic of India;

"Parties" means collectively the Transferee Company and the Transferor Companies and **"Party"** shall mean each of them, individually;

"Permits" means all consents, licences, permits, certificates, permissions, authorisations, clarifications, approvals, entitlements, quotas, awards, sanctions, special status, privileges, clearances, confirmations, declarations, concessions, waivers, exemptions, registrations, filings, no objections, whether governmental, statutory, regulatory or otherwise as required under Applicable Law;

"Person" means an individual, a partnership, a corporation, a limited liability partnership, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or an Appropriate Authority;

"Registrar of Companies" or "RoC" means Registrar of Companies, Bangalore having jurisdiction over the Parties;

"Saankhya ESOP 2008" means the Employee Stock Option Plan (ESOP) Scheme, 2008 issued by the Transferor Company 1;

"Saankhya ESOP 2012" means the Employee Stock Option Plan (ESOP) Scheme, 2012 Issued by the Transferor Company 1;

"Saankhya ESOPs" means collectively, the Saankhya ESOP 2008 and the Saankhya ESOP 2012;

"Scheme" or "this Scheme" means this scheme of amalgamation, as may be modified from time to time;

"SEBI" means the Securities and Exchange Board of India;

"SEBI Circular" means the circular issued by the SEBI, being SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, and any amendments thereof, modifications issued pursuant to regulations 11, 37 and 94 of the SEBI



(Listing Obligations and Disclosure Requirements), Regulations, 2015;

"SEBI LODR Regulations" means SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, and any amendments thereof;

"SLPL ESOP Trust" means a trust established under deed dated March 8, 2012 under the provisions of Indian Trusts Act, 1882 including any statutory modification or re-enactment thereof, inter alia for implementation and administration of the Saankhya ESOPs, financing and holding the equity shares of the Transferor Company 1 for the benefit of its eligible employees in accordance with the terms and conditions of the Saankhya ESOPs;

"Stock Exchanges" means the National Stock Exchange of India Limited and BSE Limited collectively and Stock Exchange shall mean each of them individually;

"Tax Laws" means all Applicable Laws dealing with Taxes including but not limited to income-tax, wealth tax, sales tax/ value added tax, service tax, goods and service tax, excise duty, customs duty or any other levy of similar nature;

"Taxation" or **"Tax"** or **"Taxes"** means all forms of taxes (direct or indirect), surcharges and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, cess, fees, contributions and levies, tariffs, 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;

"Transferee Company" means Tejas Networks Limited, a public company incorporated under Companies Act, 1956, having its corporate identity number L72900KA2000PLC026980 and registered office at J P Software Park, Plot No 25, Sy. No 13, 14, 17, 18 Konnapana Agrahara Village, Begur Hobli, Bengaluru – 560 100, Karnataka, India;

"Transferor Company 1" means Saankhya Labs Private Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its corporate identity number U72200KA2006PTC041339 and registered office at 3rd Level, Mezaninne Floor, No.3, Infantry Road, Vasanth Nagar, Embassy icon Building, Bengaluru – 560 001, Karnataka, India;

"Transferor Company 2" means Saankhya Strategic Electronics Private Limited, a company incorporated under the provisions of the Companies Act, 2013 and having its corporate identity number U72900KA2020PTC136822 and registered office at No. 3, Embassy Icon, Ground Floor, Infantry Road, Bengaluru – 560 001, Karnataka, India;

"Transferor Companies" means the Transferor Company 1 and Transferor Company 2 collectively; and

"Tribunal" means the jurisdictional bench of the National Company Law Tribunal having jurisdiction over the Parties and appellate Authority thereof.

In this Scheme, unless the context otherwise requires:

1.2.1 words denoting the singular shall include the plural and *vice versa*;



- 1.2.2 any Person includes that Person's legal heirs, administrators, executors, liquidators, successors, successors-in-interest and permitted assigns, as the case may be;
- 1.2.3 reference to any law or legislation or regulation shall include amendment(s), circulars, notifications, clarifications or supplement(s) to, or replacement or amendment of, that law or legislation or regulation;
- 1.2.4 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;
- 1.2.5 the words "include" and "including" are to be construed without limitation; and
- 1.2.6 reference to a document includes an amendment or supplement to, or replacement or novation of that document.

2. SHARE CAPITAL

- 2.1 The share capital structure of the Transferor Company 1 as on date of its Board approving the Scheme is as follows:

Particulars	Amount in INR
A. Authorised share capital	
1,07,28,000 equity shares of INR 10 each	10,72,80,000
36,85,700 Series C preference shares of INR 100 each	36,85,70,000
TOTAL	47,58,50,000
B. Issued and subscribed and fully paid up share capital	
97,07,821 equity shares of INR 10 each	9,70,78,210
C. 10,06,120 equity shares of INR 10 each - Recoverable from SLPL ESOP Trust	(1,00,61,200)
TOTAL (B+C)	8,70,17,010

As on the date of approval of the Board of the Transferor Company 1 to this Scheme, Transferee Company holds 62,51,496 equity shares, aggregating to 64.40% of the total paid-up capital (including shares held by SLPL ESOP Trust) of the Transferor Company 1.

- 2.2 The share capital structure of the Transferor Company 2 as on date of its Board approving the Scheme is as follows:

Particulars	Amount in INR
Authorised share capital	
1,00,000 equity shares of INR 10 each	10,00,000
TOTAL	10,00,000
Issued and subscribed and fully paid up share capital	
1,00,000 equity shares of INR 10 each	10,00,000
TOTAL	10,00,000

As on the date of approval of the Board of the Transferor Company 2 to this Scheme, entire share capital of the Transferor Company 2 is held by the Transferor Company 1.



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- 2.3 The share capital structure of the Transferee Company as on date of its Board approving the Scheme is as follows:

Particulars	Amount in INR
A. Authorised share capital	
26,00,00,000 equity shares of INR 10 each	260,00,00,000
TOTAL	260,00,00,000
B. Issued and subscribed and paid up share capital	
15,21,09,862 equity shares of INR 10 each, fully paid up	152,10,98,620
C. Add: Forfeited shares	3,27,27,930
TOTAL (B+C)	155,38,26,550

The Transferee Company has 1,55,03,876 outstanding warrants (each carrying a right to subscribe to 1 (one) equity share of the Transferee Company). Further, the Transferee Company has also issued restricted stock units / employee stock options. The exercise of such warrants and/ or restricted stock units / employee stock options, may result in an increase in the issued and paid-up share capital of the Transferee Company.

3. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

This Scheme in its present form or with any modification(s) made as per Clause 16 of this Scheme, shall become operative from the Effective Date and effective from the Appointed Date.

PART II

AMALGAMATION AND VESTING OF THE TRANSFEROR COMPANIES WITH THE TRANSFEE COMPANY

4. AMALGAMATION AND VESTING OF ASSETS AND LIABILITIES AND ENTIRE BUSINESS OF THE TRANSFEROR COMPANIES

4.1 Upon effectiveness of this Scheme and with effect from the Appointed Date and in accordance with the provisions of this Scheme and pursuant to Sections 230 to 232 and other applicable provisions of the Act and Section 2(1B) of the Income Tax Act, all assets, rights, claims, intellectual properties, brands, trademarks, credentials, Permits, contracts, liabilities, employees, loan, debentures, records, duties and obligations of the Transferor Companies shall stand transferred to and vested in the Transferee Company as a going concern, without any further act, instrument or deed matter or thing, or be deemed to have been transferred to and vested in the Transferee Company, so as to become as and from the Appointed Date, the assets, rights, claims, intellectual properties, credentials, Permits, contracts, liabilities, employees, loan, debentures, records, duties and obligations of the Transferee Company by virtue of operation of law, and in the manner provided in this Scheme.

4.2 Upon effectiveness of this Scheme and with effect from the Appointed Date, without prejudice to the generality of the provisions of Clause 4.1 above, the manner of transfer and vesting of assets and liabilities of the Transferor Companies under this Scheme, is as follows:

4.2.1 In respect of such of the assets and properties of the Transferor Companies which are movable in nature (including but not limited to computer & peripherals, office equipment, furniture & fixtures, electrical installation & equipment etc, all intangible assets, brands, trademarks, of the Transferor Companies, whether registered or



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unregistered trademarks along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights trademarks and all such other industrial and intellectual property rights of whatsoever nature) or are otherwise capable of transfer by delivery or possession or by endorsement, shall stand transferred upon the Scheme coming into effect and shall, *ipso facto* and without any other order to this effect, become the assets and properties of the Transferee Company without requiring any deed or instrument of conveyance for transfer of the same. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested, and title to the property shall be deemed to have been transferred accordingly;

4.2.2 With respect to the assets of the Transferor Companies, other than those referred to in Clause 4.2.1 above, including all rights, title and interests in the agreements (including agreements for lease, leave or licenses of the Properties), investments in shares (including in subsidiaries (whether in or outside India), joint ventures, associates, special purpose vehicles), mutual funds, bonds and any other securities, sundry debtors, unbilled debtors, outstanding loans, advances, margin money, retention money, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with any Appropriate Authority, customers and other persons, whether or not the same is held in the name of the Transferor Companies shall, without any further act, instrument or deed, cost or charge, without any notice or other intimation to any person, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company, with effect from the Appointed Date, by operation of law as transmission or as the case may be in favour of Transferee Company. Upon the Scheme becoming effective, all subsidy, benefits, incentives, grants, etc., enjoyed by the Transferor Companies, shall become subsidy, benefits, incentives, grants etc. of the Transferee Company, pursuant to Sections 230 to 232 of the Act, the relevant subsidy, benefit, incentive, grant, etc be paid or made good in favour of the Transferee Company, as the Person entitled thereto, to the end and intent that the right of the Transferor Companies, to recover or realise the same, stands transferred to the Transferee Company;

4.2.3 All debts (including debentures, bonds, notes, commercial papers and such other debt instruments), liabilities, duties and obligations (including any undertakings as promoter of its subsidiaries/ joint ventures/ associates and related obligations, sponsor support undertakings and related obligations, if any) of the Transferor Companies shall, without any further act, instrument or deed be transferred to, and vested in, and/or deemed to have been transferred to, and vested in, the Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations (including sponsor support undertakings and related obligations) of the Transferee Company on the same terms and conditions as were applicable to the Transferor Companies, and it shall not be necessary to obtain the consent of any Person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause 4;

4.2.4 On and from the Effective Date and till such time that the bank accounts of the Transferor Companies have been transferred in favour of the Transferee Company or the Transferor Company's name has been replaced with that of the Transferee Company, the Transferee Company shall be entitled to maintain and operate the bank accounts of the Transferor Companies in the name of the Transferor Companies and



sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Transferor Companies shall be transferred to the Transferee Company from the Appointed Date, without any further act, instrument or deed;

- 4.2.9 All contracts, agreements (including joint venture agreements, memorandum of understandings, consortium agreements), undertakings of whatsoever nature, whether written or otherwise, deeds, bonds, arrangements, service agreements, insurance policies, letter of intent or other instruments, all assurances in favour of the Transferor Companies or powers or authorities granted to it, of whatever nature along with the contractual rights (including claim receivables and claim proceeds) and obligations to which the Transferor Companies is a party or to the benefit of which the Transferor Companies may be eligible and which are subsisting or having effect, immediately before the Effective Date, shall stand transferred to and vested and/or enure to the benefit of the Transferee Company pursuant to this Scheme becoming effective, without any further act, instrument, deed or thing. The absence of any formal amendment which may be required by a third party to effect such transfer and vesting shall not affect the operation of the foregoing sentence. Without prejudice to the foregoing, the Transferee Company on behalf of Transferor Companies or otherwise, may wherever necessary, enter into and/ or execute deeds, writings, confirmations or novations to all such contracts, if necessary, in order to give formal effect to the provisions of this Clause;
- 4.2.10 All letters of intent/ acceptance/ awards, memoranda, requests for proposal, qualifications, pre-qualifications, bid acceptances (including pending bid applications), tenders, and other instruments of whatsoever nature to which the Transferor Companies is a party to or to the benefit of which Transferor Companies may be eligible (including but not limited to entire experience, credentials, past record and market share), shall remain in full force and effect against or in favour of Transferee Company without any further act, instrument, deed or thing and may be enforced as fully and effectually as if, instead of Transferor Companies, the Transferee Company had been a party or beneficiary or obligee or applicant thereto; and
- 4.2.11 Provided that, upon this Scheme coming into effect, all inter-company transactions including loans, contracts executed or entered into by or *inter se* between the Transferor Companies and the Transferee Company, if any, shall stand cancelled with effect from the Effective Date and neither the Transferor Companies nor Transferee Company shall have any obligation or liability against the other party in relation thereto.
- 4.3 Without prejudice to the provisions of the foregoing sub-clauses of Clause 4.2 and notwithstanding that the vesting of assets, liabilities and entire business of the Transferor Companies with the Transferee Company occurs by virtue of this Scheme itself, the Parties may execute any and all instruments or documents and do all acts, deeds and things as may be required, including filing of necessary particulars and/or modification(s) of charge, necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to the Scheme. Any procedural requirements required to be fulfilled solely by the Transferor Companies, shall be fulfilled by the Transferee Company as if it were the duly constituted attorney of the Transferor Companies. The Transferee Company shall take such actions as may be necessary and permissible to get the assets, Permits and contracts



for such time as may be determined to be necessary by the Transferee Company. All cheques and other negotiable instruments (including but not limited to bank guarantee(s), letter(s) of credit), payment orders, electronic fund transfers like NEFT, RTGS etc. received or presented for encashment which are in the name of the Transferor Companies after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company;

- 4.2.5 Unless otherwise agreed between the Parties, the vesting of all the assets of the Transferor Companies, as aforesaid, shall be along with the Encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such Encumbrances shall be confined only to the relevant assets of the Transferor Companies or part thereof on or over which they are subsisting prior to the amalgamation of the Transferor Companies with the Transferee Company, and no such Encumbrances shall extend over or apply to any other asset(s) of the Transferee Company; The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of this clause 4.2.5;
- 4.2.6 The existing Encumbrances over the assets and properties of the Transferee Company or any part thereof prior to the Effective Date shall continue to relate to such assets and properties and shall not extend to any of the assets and properties of the Transferor Companies transferred to and vested in the Transferee Company by virtue of this Scheme. This Scheme shall not operate to enlarge the Encumbrances, nor shall the Transferee Company be obliged to create any further or additional security after Scheme has become effective or otherwise;
- 4.2.7 Unless otherwise stated in this Scheme, all Permits, including the benefits attached thereto of the Transferor Companies, shall be transferred to the Transferee Company from the Appointed Date, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company and the Transferee Company shall be bound by the terms, obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company to carry on the operations of the Transferor Companies without any hindrance, whatsoever. To the extent of any duplication in any of the Permit, the Board of the Transferee Company, at its sole discretion, may identify such Permit which shall be cancelled or surrendered in such manner as may be prescribed by Applicable Law;
- 4.2.8 Without prejudice to the provisions as stated above, all trade and service names and marks, patents, copyrights, designs, goodwill, business and project credentials which includes the positive reputation that the Transferor Companies was enjoying to retain its clients, statutory licenses, infrastructural advantages, overall increase in market share, customer base, skilled employees, business claims, business information, business contracts, trade style and name, marketing and distribution channels, marketing or other commercial rights, customer relationship, trade secrets, information on consumption pattern or habits of the consumers in the territory, technical know-how, client records, KYC (know your customer) records/ POAs (power of attorney), authorisations, client details and other intellectual property rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, computer accessories, manuals, data, catalogues, quotations;



of the Transferor Companies transferred and/or registered in its name.

- 4.4 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. 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, at a later date, including resulting from an amendment of 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 defined in the Income Tax Act. In such an event the clauses which are inconsistent shall be modified or if the need arises be deemed to be deleted and such modification/deemed deletion shall however not affect the other parts of the Scheme.

5. EMPLOYEES

- 5.1 With effect from the Effective Date, all employees of the Transferor Companies shall become employees of the Transferee Company, without any interruption in service and (on the basis of continuity of service), on terms and conditions no less favourable than those on which they are engaged by the Transferor Companies, immediately preceding the Effective Date. The Transferee Company undertakes to continue to abide by any agreement/ settlement or arrangement, if any, entered into or deemed to have been entered into by the Transferor Companies with any Persons in relation to the employees of the Transferor Companies. The Transferee Company agrees that the services of all such employees with the Transferor Companies prior to the transfer shall be taken into account for the purposes of all existing benefits (including any leave encashment benefits) to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retiral/ terminal benefits.

- 5.2 The accumulated balances, if any, standing to the credit of the aforesaid employees in the existing provident fund, gratuity fund and superannuation fund of which they are members, will be transferred respectively to such provident fund, gratuity fund and superannuation funds nominated by the Transferee Company and/or such new provident fund, gratuity fund and superannuation fund to be established in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities, by the Transferee Company. Upon transfer of aforesaid funds of the Transferor Companies, the existing trust, if any, created for such funds by the Transferor Companies shall stand dissolved and no further act or deed shall be required to this effect.

5.3 Employee stock options

- 5.3.1 Upon coming into effect of the Scheme, Saankhya ESOPs of the Transferor Company 1 shall automatically stand cancelled. Further, the Transferee Company shall formulate new employee stock option scheme/(s) by adopting the Saankhya ESOPs of the Transferor Company 1 or by modifying its existing employee stock benefit plans/ schemes, if any, as modified in accordance with the variations mentioned in this Clause 5.3, and/ or in accordance with Applicable Law;

- 5.3.2 With respect to the stock options granted by the Transferor Company 1 to the employees of the Transferor Company 1 or its subsidiaries or its holding companies under the Saankhya ESOPs; and upon the Scheme becoming effective, the said employees shall be issued 112 (One hundred and twelve) stock option by the Transferee Company under the new scheme(s) or existing employee stock benefit



plans / schemes for every 100 (One hundred) stock option held in the Transferor Company 1, whether the same are vested or not on terms and conditions similar to the Saankhya ESOPs. Further, fractional entitlements, if any, arising pursuant to the issuance of aforesaid stock options shall be rounded off to the nearest lower integer; The exercise price payable, for exercise of options and receipt of shares granted by the Transferee company, shall be subject to adjustments, if required, taking into account the effect of the share exchange ratio mentioned in Clause 8.1 of this Scheme;

- 5.3.3 While granting stock options, the Transferee Company shall take into account the period during which the employees held stock options granted by the Transferor Company 1 prior to the issuance of the stock options by the Transferee Company, for determining of minimum vesting period required for stock options granted by the Transferee Company, subject to Applicable Law(s);
- 5.3.4 Approval granted to the Scheme by the shareholders of the Transferor Company 1 and the Transferee Company shall also be deemed to be approval granted to any modifications made to the Saankhya ESOPs of the Transferor Company 1 and approval granted to the new employee stock option scheme to be adopted by the Transferee Company, respectively; and
- 5.3.5 Immediately upon implementation of this Scheme, the trust deed dated March 8, 2012, governing the SLPL ESOP Trust, shall without any further act or deed, stand modified to include the following provisions:
- (a) authorising the trust to hold and deal with the shares issued pursuant to Clause 8.1 below and give effect to the aforesaid provisions;
 - (b) the expression "Employee" to also include the employees of the Transferee Company;
 - (c) the expression "Beneficiaries" to also include the employees of the Transferee Company as defined under the employee stock option plan adopted by the Transferee Company;
 - (d) the Board of the Transferee Company shall solely have the ability to appoint and/or remove the trustees and shall solely be liable for all acts and omissions in relation thereto; and
 - (e) such other amendments and modifications to give effect to this Scheme and provisions of any agreement or arrangement entered between the Parties.

6. LEGAL PROCEEDINGS

With effect from the Effective Date, if any suit, cause of action, appeal, tax proceedings, investigations, any enquiry or other legal, quasi-judicial, arbitral or other administrative proceedings of whatsoever nature by or against the Transferor Companies is pending on the Effective Date, and if such legal proceedings is capable of being continued by or against the Transferee Company under the Applicable Law, the same shall not abate, be discontinued or be in any way prejudicially affected by anything contained in this Scheme, but such proceedings of the Transferor Companies will 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 Companies as if this Scheme had not been made. On and from the Effective Date, the Transferee Company



may initiate any legal proceeding for and on behalf of the Transferor Companies. All orders/ judgments/ awards of any Appropriate Authority in favour of the Transferor Companies or to the benefit of which Transferor Companies may be eligible, shall remain in full force and effect in favour of Transferee Company without any further act, instrument, deed or thing and may be enforced as fully and effectually as if, instead of Transferor Companies, the Transferee Company had been a party or beneficiary thereto.

7. TAXES/ DUTIES/ CESS

Upon the effectiveness of this Scheme and with effect from the Appointed Date, by operation of law pursuant to the order of the Authority:

- 7.1 All the profits and/ or income taxes (including but not limited to credit pertaining to advance tax, tax deducted at source, tax collected at source, foreign tax credits, dividend distribution tax, tax losses (if any), minimum alternate tax credit, any credit for dividend distribution tax on dividend received by the Transferor Companies), all input tax credit balances (including but not limited to Central Value Added Tax (CENVAT)/ service tax/ Value Added Tax (VAT), Modified Value Added Tax (MODVAT), sales tax, applicable excise and customs duties, State Goods and Service Tax (SGST), Integrated Goods and Services Tax (IGST) and Central Goods and Service Tax (CGST) credits under the goods and service tax laws) or any costs, charges, expenditure accruing to the Transferor Companies in India and abroad or expenditure or losses arising or incurred or suffered by the Transferor Companies shall for all purpose be treated and be deemed to be and accrue as the profits and/ or income taxes (including but not limited to credit pertaining to advance tax, tax deducted at source, tax collected at source, foreign tax credits, dividend distribution tax, minimum alternate tax credit, any credit for dividend distribution tax on dividend, tax losses (if any), all input tax credit balances (including but not limited to CENVAT/ service tax/ VAT, MODVAT, sales tax, applicable excise and customs duties, SGST, IGST and CGST credits under the goods and service tax laws), costs, charges, expenditure or losses of the Transferee Company, as the case may be.
- 7.2 If the Transferor Companies is entitled to any benefits under incentive schemes and policies under Tax Laws, such as tax deferrals, exemptions, benefits and subsidies under export-import policies, (including duty draw back, Duty Entitlement Passbook Scheme (DEPB), Merchandise Exports from India Scheme (MEIS), Service Exports from India Scheme (SEIS), Design Linked Incentive (DLI), Production Linked Incentive Scheme (PLI) etc) concessions, grants, rights, claims, leases, tenancy rights, liberties, and special status, all such benefits under all such incentive schemes and policies as mentioned above shall be available and stand vested in the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.
- 7.3 Any Tax, whether deducted at source or paid, by the Transferor Companies / Transferee Company on transactions with the Transferee Company / Transferor Companies (from Appointed Date to Effective Date), shall be deemed to be payment of Tax accruing or arising to the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 7.4 Further, for the avoidance of doubt, input tax credits already availed of or utilised by the Transferee Company and the Transferor Companies in respect of transactions between Transferee Company and the Transferor Companies shall not be adversely impacted by cancellation of such transaction pursuant to this Scheme. In case of any differences in tax policy/ regime followed by the Transferor Companies and the Transferee Company, the Transferee Company shall have its own independent right to select the tax policy/ regime.



- 7.5 Upon the Scheme becoming effective and with effect from the Appointed Date, the Transferee Company shall have the right to revise its financial statements and returns along with prescribed forms, filings and annexures under the Tax Laws and to claim refunds and/or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of the Scheme. The Transferee Company is expressly permitted to revise and file its income tax returns and other statutory returns, even beyond the due date, if required, including tax deducted/ collected at source returns, service tax returns, excise tax returns, sales tax/ value added tax/ goods and service tax returns, as may be applicable and has expressly reserved the right to make such provision in its returns and to claim unabsorbed depreciation, bought forward losses, refunds, advance tax credits, credit of tax deducted at source, credit of foreign Taxes paid/ withheld, dividend distribution tax credits, service tax credits, tax benefits (including the Tax deduction available under Section 10AA of the IT Act) etc. if any, as may be required for the purposes of implementation of the Scheme.
- 7.6 It is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies, etc., the Transferor Companies, shall, if so required by the Transferee Company, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the Authority having sanctioned this Scheme under Sections 230 to 232 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Transferee Company, as the Person entitled thereto, to the end and intent that the right of the Transferor Companies, to recover or realise the same, stands transferred to the Transferee Company.

8. CONSIDERATION

- 8.1 Upon the Scheme coming into effect and in consideration of the amalgamation of the Transferor Company 1 with the Transferee Company, the Transferee Company shall, without any further application, act, consent, instrument or deed, issue and allot, on a proportionate basis to each shareholder of the Transferor Company 1, whose name is recorded in the register of members as member of the Transferor Company 1 as on the Effective Date, as under:

For every 100 equity shares of face value of INR 10 (Indian Rupees Ten) each held in the Transferor Company 1 shall be issued 112 equity shares of face value of INR 10 (Indian Rupees Ten) each as fully paid-up in the Transferee Company.

- 8.2 Since the Transferor Company 2 is wholly owned subsidiary of the Transferor Company 1, which will amalgamate with the Transferee Company pursuant to this Scheme, no consideration will be issued for the amalgamation of the Transferor Company 2 with the Transferee Company.
- 8.3 No equity shares shall be issued by the Transferee Company in respect of the shares held by the Parties inter-se and all such shares shall stand cancelled upon the Scheme becoming effective, without any further act or deed as an integral part of this Scheme.
- 8.4 Where Transferee Company New Equity Shares are to be allotted to heirs, executors or administrators, as the case may be, to successors of deceased equity shareholders or legal representatives of the equity shareholders of the Transferor Company 1, the concerned heirs, executors, administrators, successors or legal representatives shall be obliged to produce evidence of title satisfactory to the Board of the Transferee Company.

The Transferee Company New Equity Shares to be issued and allotted pursuant to



amalgamation of the Transferor Companies with the Transferee Company under this Scheme shall be subject to the provisions of the memorandum of association and articles of association of Transferee Company and shall rank *pari passu* in all respects with any existing equity shares of the Transferee Company after the Effective Date including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached to the equity shares of the Transferee Company. The Transferee Company New Equity Shares issued to the shareholders of the Transferor Company 1 shall be fully-paid up and free of all liens, charges and Encumbrances, and shall be freely transferable in accordance with the articles of association of the Transferee Company and such other terms as may be agreed. The issue and allotment of the Transferee Company New Equity Shares is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Transferee Company or the Transferor Companies or their shareholders and as if the procedure laid down under the Act and such other Applicable Law as may be applicable, were duly complied with. It is clarified that the approval of the shareholders of the Transferee Company to this Scheme, shall be deemed to be their consent/ approval for the issue and allotment of the Transferee Company New Equity Shares.

- 8.6 Subject to Applicable Laws, the Transferee Company New Equity Shares that are to be issued in terms of this Scheme shall be issued in dematerialised form. The register of members maintained by the Transferee Company and/ or, other relevant records, whether in physical or electronic form, maintained by the Transferee Company, the relevant depository and registrar and transfer agent in terms of Applicable Laws shall (as deemed necessary by the Board of the Transferee Company) be updated to reflect the issue of Transferee Company New Equity Shares in terms of this Scheme.
- 8.7 For the purpose of the allotment of the Transferee Company New Equity Shares, pursuant to this Scheme, in case any shareholder's holding in the Transferor Company 1 is such that the shareholder becomes entitled to a fraction of a share of the Transferee Company, the Transferee Company shall not issue fractional shares to such shareholder and shall consolidate all such fractions and round up the aggregate of such fractions to the next whole number and issue consolidated Transferee Company New Equity Shares to a trustee (nominated by the Board of the Transferee Company in that behalf) in dematerialised form, who shall hold such shares, with all additions or accretions thereto, in trust for the benefit of the respective shareholders to whom they belong for the specific purpose of selling such shares in the market at such price or prices and at any time within a period of 90 days from the date of allotment of the Transferee Company New Equity Shares as the trustee may, in its sole discretion, decide and distribute the net sale proceeds (after deduction of the expenses incurred and applicable income tax) to the respective shareholders in the same proportion of their fractional entitlements. It is clarified that any such distribution shall take place only on the sale of all the fractional shares of the Transferee Company pertaining to the fractional entitlements.
- 8.8 In the event, any or all of the Parties restructure their share capital by way of share split / consolidation/ issue of bonus shares or any other corporate action during the pendency of the Scheme, the share exchange ratio stated in Clause 8.1 above shall be adjusted accordingly, without the requirement of any further approval from Appropriate Authority to consider the effect of any such corporate actions undertaken by such Party.
- 8.9 The Transferee Company shall apply for listing of the Transferee Company New Equity Shares on the Stock Exchanges in terms of and in compliance of SEBI LODR Regulations, SEBI Circular and other relevant provisions as may be applicable. The Transferee Company New Equity Shares allotted by the Transferee Company, pursuant to the Scheme, shall remain frozen in the depository system till listing/ trading permission is given by the designated Stock



Exchange.

- 8.10 The Transferee 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 the Stock Exchanges.
- 8.11 It is clarified that the approval of the shareholders of the Transferee Company to this Scheme shall be deemed to be their consent/ approval also to the consequential alteration of its memorandum of association and articles of association or any other action contemplated as part of the Scheme pursuant to this Scheme and the Transferee Company shall not be required to seek separate consent / approval of its shareholders for such alteration or action, as required under Sections 13, 14, 42, 61, 64 and other applicable provisions of the Act.

9. ACCOUNTING TREATMENT

Notwithstanding anything to the contrary contained herein, the Transferee Company shall give effect to the amalgamation of the Transferor Companies in its books of account in accordance with Appendix C (Business combinations of entities under common control) of Ind AS 103- Business Combinations, other accounting principles prescribed under the Companies (India Accounting Standards) Rules, 2015 as notified under section 133 of Companies Act, 2013 and relevant clarifications issued by the Institute of Chartered Accountants of India and on the date determined in accordance with Ind AS.

10. COMBINATION OF AUTHORISED SHARE CAPITAL

- 10.1 Upon the effectiveness of this Scheme, the aggregate authorised share capital of the Transferor Companies as on the Effective Date will be reclassified, altered and combined with the authorised equity share capital of the Transferee Company as on the Effective Date and accordingly the authorised share capital of the Transferee Company shall stand increased without any further act, instrument or deed on the part of Transferee Company including payment of stamp duty and fees to RoC.
- 10.2 The memorandum of association and articles of association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders of the Transferee Company to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under the applicable provisions of the Act would be required to be separately passed, as the case may be, and for this purpose the stamp duty and filing fees paid on the authorized capital of the Transferor Companies shall be utilized and applied to the increased authorized share capital of the Transferee Company and the Transferee Company shall be required to pay only the balance stamp duty and filing fees, if any, in relation to the reclassified and combined authorized share capital after setting off the stamp duty and filing fees already paid by Transferor Companies on its authorized share capital.
- 10.3 Consequentially, Clause V of the memorandum of association of the Transferee Company shall without any act, instrument or deed be and stand altered, modified and amended, to reflect the increased combined authorised share capital as per Clause 10.1 above, pursuant to Sections 13, 14, 61, 64, and other applicable provisions of the Act.

10.4 It is clarified that the approval of the shareholders to the Scheme shall be deemed to be consent/ approval of the shareholders of the Transferee Company also to the alteration of the



memorandum and articles of association of the Transferee Company as may be required under the Act.

11. DISSOLUTION OF THE TRANSFEROR COMPANIES

Upon the effectiveness of this Scheme, the Transferor Companies shall stand dissolved without winding up and the Board and any committees thereof of the Transferor Companies shall without any further act, instrument or deed be and stand discharged. On and from the Effective Date, the name of the Transferor Companies shall be struck off from the records of the concerned RoC.

PART III GENERAL TERMS & CONDITIONS

12. VALIDITY OF EXISTING RESOLUTIONS, ETC.

12.1 Upon the coming into effect of this Scheme, the resolutions/ power of attorney of/ executed by the Transferor Companies, as the case may be, as considered necessary by the Board of the Transferee Company, and that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions and power of attorney passed/ executed by the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then said limits as are considered necessary by the Board of the Transferee Company, as the case may be, shall be added to the limits, if any, under like resolutions passed by the Transferee Company, as the case may be, and shall constitute the aggregate of the said limits in the Transferee Company, as the case may be.

13. DIVIDENDS

13.1 The Parties shall be entitled to declare and pay dividends to their respective shareholders in the ordinary course of business, whether interim or final.

13.2 It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any shareholder of any of the Parties, 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 respective Parties, and subject to approval, if required, of the shareholders of the respective Parties.

14. BUSINESS UNTIL EFFECTIVE DATE

14.1 With effect from the date of approval of the Board of the Parties to the Scheme and up to and including the Effective Date, the Transferor Companies shall carry on its business with diligence and business prudence in the ordinary course consistent with past practice in good faith and in accordance with Applicable Law.

14.2 With effect from the Appointed Date and up to and including the Effective Date:

14.2.1 the Transferor Companies shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the assets, contracts, rights, titles, investments and interest for and on account of, and in trust for the Transferee Company;



- 14.2.2 all profits or income arising or accruing to the Transferor Companies and all Taxes paid thereon (including but not limited to advance tax, tax deducted or collected at source, minimum alternate tax, dividend distribution tax, securities transaction tax, taxes withheld/ paid in a foreign country, goods and service tax, etc.) or losses arising or incurred by the Transferor Companies shall, for all purposes, be treated as and deemed to be the profits or income, Taxes or losses, as the case may be, of the Transferee Company;
- 14.2.3 all liabilities incurred by the Transferor Companies after the Appointed Date and prior to the Effective Date, and to the extent they are outstanding on the Effective Date, shall be deemed to be the liabilities of the Transferee Company; and
- 14.2.4 Any of the rights, powers, authorities, privileges exercised by the Transferor Companies shall be deemed to have been exercised by such Transferor Companies for and on behalf of, and in trust for the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by Transferor Companies shall be deemed to have been undertaken for and on behalf of the Transferee Company.
- 14.3 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Appropriate Authorities concerned as necessary under Applicable Law for such consents, approvals and sanctions which the Transferee Company, may require to carry on the relevant business of the Transferor Companies and to give effect to the Scheme.
- 14.4 For the purpose of giving effect to the order passed under Sections 230 to 232 and other applicable provisions of the Act in respect of this Scheme by the Tribunal, the Transferee Company, at any time pursuant to the orders approving this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the amalgamation of the Transferor Companies, in accordance with the provisions of Sections 230 to 232 of the Act. The Transferee Company shall always be deemed to have been authorized to execute any pleadings, applications, forms, etc, as may be required to remove any difficulties and facilitate and carry out any formalities or compliances as are necessary for the implementation of this Scheme. For the purpose of giving effect to the vesting order passed under Section 232 of the Act in respect of this Scheme, the Transferee Company, shall be entitled to exercise all rights and privileges, and be liable to pay all taxes and charges and fulfil all its obligations, in relation to or applicable to all immovable properties, including mutation and/ or substitution of the ownership or the title to, or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authority(ies) in favour of the Transferee Company, pursuant to the sanction of the Scheme by the Tribunal and upon the effectiveness of this Scheme in accordance with the terms hereof, without any further act or deed to be done or executed by the Transferee Company. It is clarified that the Transferee Company, shall be entitled to engage in such correspondence and make such representations, as may be necessary, for the purposes of the aforesaid mutation and/or substitution.

15. APPLICATIONS / PETITIONS TO THE TRIBUNAL

The Parties shall make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act before the Tribunal, for sanction of this Scheme under the provisions of the Act.

MODIFICATION OR AMENDMENTS TO THIS SCHEME



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- 16.1 The Board of the Parties may make any modifications or amendments to this Scheme at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable or appropriate. The Board of the Parties may consent to any conditions or limitations that the Tribunal or any other Appropriate Authority may impose.
- 16.2 For the purposes of giving effect to this Scheme, the Board of the Parties may give such directions including directions for settling any question or difficulty that may arise and such directions shall be binding on all Parties as if the same were specifically incorporated in this Scheme.
- 16.3 The Parties agree that if, at any time, either of the Tribunal or Appropriate Authority directs or requires any modification or amendment to this Scheme, such modification or amendment shall not, to the extent it adversely affects the interest of any of the Parties, be binding on such Parties, as the case may be, except where the written consent of the affected Party has been obtained for such modification or amendment.
- 16.4 In case, post approval of the Scheme by the Tribunal, there is any confusion in interpreting any Clause of this Scheme, or otherwise, the Board of the Parties or (after the Effective Date), the Board of the Transferee Company shall have complete power to take the most sensible interpretation so as to render the Scheme operational.
- 16.5 If any part of this Scheme is invalid, ruled illegal or rejected by the Tribunal or any court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to either the Transferor Companies or Transferee Company, in which case the Parties, acting through their respective Boards, shall attempt to bring about a modification in this Scheme, as will best preserve for the Parties, the benefits and obligations of this Scheme, including but not limited to such part, which is invalid, ruled illegal or rejected by the Tribunal or any court of competent jurisdiction, or unenforceable under present or future Applicable Laws.

17. CONDITIONS PRECEDENT

- 17.1 Unless otherwise decided (or waived) by Parties, the Scheme is conditional upon and subject to the following conditions precedent:
- 17.1.1 obtaining no-objection letter from the Stock Exchanges in relation to the Scheme under Regulation 37 of the SEBI LODR Regulations;
- 17.1.2 approval of the Scheme by the requisite majority of each class of shareholders, and such other classes of Persons of the Parties, if any, as applicable or as may be required under the Act and as may be directed by the Tribunal. Further, the Transferee Company complying with other provisions of the SEBI Circular, including seeking approval of the shareholders of the Transferee Company through e-voting, as applicable;
- 17.1.3 the sanctions and orders of the Tribunal, under Sections 230 to 232 of the Act being obtained by the Parties;
- 17.1.4 certified/ authenticated copies of the orders of the Tribunal, sanctioning the Scheme, being filed with the RoC having jurisdiction over the Parties; and



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17.1.5 any other matters expressly agreed as conditions precedent to the effectiveness of the Scheme amongst the Parties, including consents, approvals or permissions of the Appropriate Authority or any third parties, in writing.

17.2 It is hereby clarified that submission of this Scheme to the Tribunal and to the Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, title, or defences that Parties may have under or pursuant to all Applicable Laws.

17.3 On the approval of this Scheme by the shareholders of the Parties, and such other classes of Persons of the Parties, if any, pursuant to Clause 17.1.2 above, such shareholders and, classes of Persons shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the Scheme.

18. WITHDRAWAL OF THIS SCHEME AND NON-RECEIPT OF APPROVALS

18.1 Parties, acting jointly, shall be at liberty to withdraw the Scheme, any time before the Scheme is effective.

18.2 In the event of any of the requisite sanctions and approvals not being obtained on or before such date as may be agreed to by the Parties, this Scheme shall become null and void and each Party shall bear and pay its respective costs, charges and expenses for and/or in connection with this Scheme.

18.3 In the event of revocation/ withdrawal/ nullity of the Scheme under Clause 18.1 or Clause 18.2 above, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Parties or their respective shareholders or creditors or employees or any other Person, 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 is specifically provided in the Scheme or in accordance with Applicable Law or in accordance with any agreement entered by the parties and in such case, each Party shall bear its own costs, unless otherwise mutually agreed.

19. COSTS AND EXPENSES

Except as provided otherwise, all costs, charges and expenses (including, but not limited to, any taxes and duties, registration charges, etc.) in relation to carrying out, implementing and completing the terms and provisions of this Scheme and/or incidental to the completion of such parts of the Scheme until the date of sanction of this Scheme by the Tribunal shall be borne and paid by the Parties equally.

20. SAVING OF CONCLUDED TRANSACTIONS

Nothing in this Scheme shall affect any transaction or proceedings already concluded or liabilities incurred by the Transferor Companies, until the Appointed Date to the end and intent that the Transferee Company, shall accept and adopt all acts, deeds and things done and executed by the Transferor Companies in respect thereto as done and executed on behalf of the Transferee Company.





Auditor's Certificate

The Board of Directors,
Saankhya Strategic Electronics Private Limited
Ground Level, No.3, Infantry Road,
Vasanth Nagar, Embassy Icon Building,
Bengaluru-560001
Karnataka

- 1) This certificate is issued in accordance with the terms of our agreement dated September 11, 2022.
- 2) We, the statutory auditors of Saankhya Strategic Electronics Private Limited, (hereinafter referred to as "the Company" or the "Transferor Company 2"), have examined the proposed accounting treatment specified in clause 9 of the Draft Scheme of Amalgamation of Saankhya Labs Private Limited ("transferor company 1") and the Company with Tejas Networks Limited (the "Transferee Company") and the respective shareholders, as approved by the Board of Directors of the Company in its meeting held on 29th September 2022, in terms of the provisions of sections 230 to 232 of the Companies Act, 2013 (the "2013 Act") ('the Draft Scheme'), with reference to its compliance with the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013 and other generally accepted accounting principles. We have initialled the Draft Scheme for identification purpose only.

Management's Responsibility

- 3) The responsibility for the preparation of the Draft Scheme and its compliance with the 2013 Act, including the applicable Accounting Standards and other generally accepted accounting principles as aforesaid, is that of the Board of Directors of the Company.

Auditors' Responsibility

- 4) Our responsibility is only to examine and report whether the accounting treatment in the books of the Transferor Company 2 as prescribed in the Draft Scheme complies with the applicable Accounting Standards and other generally accepted accounting principles.
- 5) We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
- 6) We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.





Conclusion

- 7) Based on our examination of the Draft Scheme and according to the information and explanation given to us, and as mentioned in Clause 11 of the Draft Scheme, upon the Scheme becoming effective, the Transferor Company 2 shall stand dissolved without being wound up and no specific accounting treatment in the books of the Transferor Company 2 has been prescribed in the Draft Scheme. Accordingly, the question of our commenting on the compliance of same with the applicable Accounting Standards and other generally accepted accounting principles does not arise.

Restriction on Use

- 8) Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.
- 9) This Certificate is issued at the request of Company pursuant to the requirements of the 2013 Act for onward submission to the Stock exchanges, National Company Law Tribunal and other regulatory authorities. This Certificate should not be used for any other purpose without our prior written consent.

For M S K A & Co.,
Firm Registration Number: 117035W
Chartered Accountants

A. h. Rathi

CA. Ashok Kumar Rathi
Partner

Membership Number: 094591
UDIN:22094591AWPGHQ1367.



Place: Bengaluru
Date: 29/09/2022.