

**SCHEME OF AMALGAMATION
BETWEEN
MICROIN SERVICES PRIVATE LIMITED
AND
INNERFRAME SERVICES PRIVATE LIMITED
AND
MICROLAND LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**Under the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013
and Rules framed thereunder**

**NOTICE OF HON'BLE NATIONAL COMPANY LAW TRIBUNAL CONVENED MEETING OF THE SECURED
CREDITORS OF MICROLAND LIMITED TO BE HELD ON MAY 6,2022**

*(convened pursuant to the order dated March 15, 2022 passed by the Hon'ble National Company Law Tribunal,
Bengaluru Bench)*

Notice to Secured creditors

NOTICE TO SECURED CREDITORS

Day	Friday
Date	6 th day of May 2022
Time	1:00 PM
Venue	1B, RMZ Ecospace, Bellandur Outer Ring Road, Bengaluru – 560103, Karnataka, India

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By the order of the Board of Directors,
For **Microland Limited**
Sd/-

Pradeep Kar
Chairman and Managing Director
DIN: 00129501

Place: Bengaluru
Date: March 29, 2022

**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL BENGALURU BENCH
AT BENGALURU**

IN THE MATTER OF THE COMPANIES ACT, 2013

AND

IN THE MATTER OF SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013

AND

**IN THE MATTER OF MICROIN SERVICES PRIVATE LIMITED AND INNERFRAME SERVICES PRIVATE
LIMITED AND MICROLAND LIMITED**

AND

**IN THE MATTER OF SCHEME OF AMALGAMATION OF MICROIN SERVICES PRIVATE LIMITED AND
INNERFRAME SERVICES PRIVATE LIMITED WITH MICROLAND LIMITED AND THEIR RESPECTIVE
SHAREHOLDERS AND CREDITORS**

COMPANY APPLICATION NO.CA(CAA) No. 55/BB/2021

MICROIN SERVICES PRIVATE LIMITED

Registered office: 862C, 13th Main, Koramangala,
Block 3, Bengaluru – 560034,

Karnataka, India ... **APPLICANT COMPANY NO. 1 / TRANSFEROR COMPANY 1/ MICROIN**

AND

INNERFRAME SERVICES PRIVATE LIMITED

Registered office: 862/C, 'PRAANA', 13th Main,
3rd Block, Koramangala, Bengaluru – 560034,

Karnataka, India ... **APPLICANT COMPANY NO. 2 / TRANSFEROR COMPANY 2/ INNERFRAME**

AND

MICROLAND LIMITED

Registered office: 1B, RMZ Ecospace,
Bellandur Outer Ring Road,

Bengaluru – 560103, Karnataka, India ... **APPLICANT COMPANY NO. 3/ TRANSFEREE COMPANY/
MICROLAND**

FORM NO. CAA.2

**NOTICE CONVENING THE MEETING OF THE SECURED CREDITORS OF MICROLAND LIMITED
PURSUANT TO THE ORDER DATED MARCH 15, 2022 OF THE HON'BLE NATIONAL COMPANY LAW
TRIBUNAL, BENGALURU BENCH**

**To,
The Secured Creditors
Microland Limited,**

Notice is hereby given that by an order dated March 15, 2022, the Bengaluru Bench of the Hon'ble National Company Law Tribunal ("Hon'ble NCLT" or "Tribunal") has directed to convene a meeting of the Secured Creditors of Microland Limited for the purpose of considering, and if thought fit, approving with or without modification the Scheme of Amalgamation of Microin Services Private Limited (Transferor Company 1), Innerframe Services Private Limited (Transferor Company 2) with Microland Limited (Transferee Company) and their respective Shareholders and Creditors pursuant to Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder.

In pursuance of the said order and as directed therein further notice is hereby given that a meeting of the Secured Creditors of the Transferee Company will be held at the registered office of the Transferee Company at 1B, RMZ Ecospace, Bellandur Outer Ring Road, Bengaluru – 560103, Karnataka, India, on Friday, May 6, 2022 at 1:00 P.M., at which time and place the said Secured Creditors are requested to attend to consider and, if thought fit, to approve with or without modification(s), the following resolution:

Notice to Secured creditors

“RESOLVED THAT pursuant to Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Compromise, Arrangement and Amalgamations) Rules 2016 and the National Company Law Tribunal Rules 2016 and other applicable Rules, circulars and notifications framed thereunder including amendment thereof, and such other applicable Regulations, Section 2(1B) and other applicable provisions, if any, of the Income-tax Act, 1961 and pursuant to the Memorandum of Association of the Company and subject to the sanction/confirmation by the Hon'ble National Company Law Tribunal (“NCLT”), Bengaluru Bench and such other Statutory/ Government authority(ies) as may be necessary or as directed by the Hon'ble NCLT being obtained and subject to such terms and conditions and modification(s) as may be imposed, prescribed or suggested by the Hon'ble NCLT or other appropriate authorities, the Amalgamation of Microin Services Private Limited and Innerframe Services Private Limited into Microland Limited and their shareholders and creditors, as a going concern with effect from the close of business on 30 April 2021 and 31 August 2021 respectively or such other date as the Hon'ble NCLT may direct or approve under the relevant provisions of the Companies Act, 2013 (“the Appointed Date”), as per the terms and conditions mentioned in the draft Scheme of Amalgamation laid before the meeting and initialed by the Chairman for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this Resolution and to effectively implement the Scheme and to make any modifications or amendments to the Scheme at any time and for any reason whatsoever, and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon'ble NCLT while sanctioning the amalgamation embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper.”

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to sign, seal and deliver all documents, agreements and deeds and perform all acts, matters and things and to take all such steps as may be necessary or desirable to give effect to this resolution.”

TAKE FURTHER NOTICE that each rupee constitutes one vote as such Secured Creditor who can opt for voting either in person or through authorised representative or proxy at the venue of the meeting of the Secured Creditors of the Company.

Copies of the said Scheme of Amalgamation, and of the explanatory statement under section 230 and section 232 read with section 102 of the Companies Act, 2013 (“the Act”) along with applicable rules are enclosed herewith and the same can be obtained free of charge at the registered office of the Transferee Company at 1B, RMZ Ecospace, Bellandur Outer Ring Road, Bengaluru – 560103, Karnataka, India on any working days, except Saturdays, Sundays and public holidays, during the business hours of the Company prior to the date of the meeting and the same shall be furnished within one day of the requisition being made.

The Persons entitled to attend and vote at the meeting of the Secured Creditors as on August 31, 2021 may vote in person or through authorised representative or through Proxy, provided that all proxies in the Form MGT-11, are sent through email at vedavalli.sridharan@microland.com or deposited at the registered office of the Transferee Company at 1B, RMZ Ecospace, Bellandur Outer Ring Road, Bengaluru – 560103, Karnataka, India, not later than 48 hours before the scheduled time of the commencement of the meeting. Forms of proxy and the attendance slip are enclosed herewith and the same can be obtained free of charge at the registered office of the Transferee Company.

The Hon'ble NCLT has appointed Shri. Amogh C.A, Advocate, as Chairperson and Shri. P. Sriram, PCS, as Scrutinizer for the meeting of the Secured Creditors of the Transferee Company. The above-mentioned Scheme of Amalgamation if approved by the meeting will be subject to the subsequent approval of the Hon'ble NCLT.

By the order of the Board of Directors,
For **Microland Limited**
Sd/-

Pradeep Kar
Chairman and Managing Director
DIN: 00129501

Place: Bengaluru
Date: March 29, 2022

NOTES:

- A. An explanatory statement of material facts for the proposed Resolution along with applicable annexures pursuant to section 230 and section 232 read with section 102 of the Companies Act 2013 (hereinafter referred to as "Act") along with applicable rules thereunder setting out material facts forms part of this Notice booklet annexed hereto as **Annexure- I**.
- B. A Secured creditor entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy so appointed need not be a Secured creditor of the Transferee Company. Proxies, in order to be effective, must be received through email at vedavalli.sridharan@microland.com or at the registered office of the Transferee company at 1B, RMZ Ecospace, Bellandur Outer Ring Road, Bengaluru – 560103, Karnataka, India not later than 48 hours before the scheduled time of the commencement of meeting. A blank form of proxy is enclosed along with the notice of this meeting in **Annexure II**. All alterations made in the form of proxy should be initialed.
- C. Creditors/Proxies for Creditors/ Authorised Representative should bring the Attendance Slip duly filled in for attending the meeting. Enclosed herewith as **Annexure III**.
- D. Corporate Creditors/Entities intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Transferee Company at the email id vedavalli.sridharan@microland.com or to the registered office of the Transferee Company, a certified copy of the relevant Board Resolution (in case of Company/LLP)/ Letter of Authorization (in case of partnership firm and others), as the case may be, together with their respective specimen signatures authorizing the representative(s) to attend and vote on their behalf at the Meeting, not later than 48 hours before the scheduled time of the commencement of meeting. The Performa board resolution/ Letter of Authorization has been enclosed herewith as **Annexure IV – VI**.
- E. The Notice is being sent to all Secured Creditors, whose name appeared as Secured Creditors as on August 31, 2021.
- F. Secured Creditors are also requested to carefully read the instructions printed in this notice before exercising their vote. After you vote, the vote cannot be changed subsequently.
- G. The Company is offering facility for voting by way of ballot papers at the meeting for the Secured Creditors attending the meeting.

Notice to Secured creditors

- H. The Notice convening the meeting, the date of dispatch of the Notice and the Explanatory Statement, amongst others, will be published through advertisement in the following newspapers, namely, (i) "Business Standard" in the English language; and (ii) translation thereof in "Kannada Prabha" in the Kannada language.
- I. The notice of the meeting of the Secured Creditors of the Company is also displayed/ posted on the website of the Company (www.microland.com).
- J. All documents referred to in the notice or in the accompanying explanatory statement are available for inspection by Secured creditors on any working days, except Saturdays, Sundays and public holidays, during the business hours of the Company prior to the date of the meeting and will also be available for inspection at the meeting.
- K. The Secured Creditors are required to notify the change in their address, e-mail address and mobile number, if any, to the company immediately.
- L. The route map for reaching the venue of the meeting of Secured Creditors is provided as **Annexure – VII**.

By the order of the Board of Directors,
For **Microland Limited**
Sd/-

Pradeep Kar
Chairman and Managing Director
DIN: 00129501

Place: Bengaluru
Date: March 29, 2022

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL BENGALURU BENCH
AT BENGALURU**

IN THE MATTER OF THE COMPANIES ACT, 2013

AND

IN THE MATTER OF SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013

AND

**IN THE MATTER OF MICROIN SERVICES PRIVATE LIMITED AND INNERFRAME SERVICES PRIVATE
LIMITED AND MICROLAND LIMITED**

AND

**IN THE MATTER OF SCHEME OF AMALGAMATION OF MICROIN SERVICES PRIVATE LIMITED AND
INNERFRAME SERVICES PRIVATE LIMITED WITH MICROLAND LIMITED AND THEIR RESPECTIVE
SHAREHOLDERS AND CREDITORS**

COMPANY APPLICATION NO. CA (CAA) No. 55/BB/2021

MICROIN SERVICES PRIVATE LIMITED

Registered office: 862C, 13th Main, Koramangala,
Block 3, Bengaluru – 560034,
Karnataka, India ... **APPLICANT COMPANY NO. 1 / TRANSFEROR COMPANY 1/ MICROIN**

AND

INNERFRAME SERVICES PRIVATE LIMITED

Registered office: 862/C, 'PRAANA', 13th Main,
3rd Block, Koramangala, Bengaluru – 560034,
Karnataka, India ... **APPLICANT COMPANY NO. 2 / TRANSFEROR COMPANY 2/ INNERFRAME**

AND

MICROLAND LIMITED

Registered office: 1B, RMZ Ecospace,
Bellandur Outer Ring Road,
Bengaluru – 560103, Karnataka, India ... **APPLICANT COMPANY NO. 3/ TRANSFEREE COMPANY/
MICROLAND**

**EXPLANATORY STATEMENT UNDER SECTION 230 AND SECTION 232 READ WITH SECTION 102 OF THE
COMPANIES ACT, 2013 READ WITH COMPANIES (COMPROMISES, ARRANGEMENTS AND
AMALGAMATIONS) RULES, 2016 TO THE NOTICE OF THE TRIBUNAL CONVENED MEETING OF THE
SECURED CREDITORS OF MICROLAND LIMITED**

1. Pursuant to the order dated March 15, 2022, passed by the Hon'ble National Company Law Tribunal ("NCLT"), Bengaluru Bench, in Company Application No. CA (CAA) No. 55/BB/2021 ("Order"), enclosed herewith as **Annexure E**, a meeting of the Secured Creditors of Microland Limited is being convened at 1B, RMZ Ecospace, Bellandur Outer Ring Road, Bengaluru – 560103, Karnataka, India, for the purpose of considering and, if thought fit, approving with or without modification(s) the Scheme of Amalgamation between Microin Services Private Limited, Innerframe Services Private Limited, and Microland Limited and their Shareholders and Creditors ("Scheme") under sections 230-232 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder.
2. In terms of the said Order, the quorum for the said meeting of Secured Creditors will be 40% (forty percent) in total value of the Secured Creditors as on August 31, 2021 either present in person or through proxy or authorized representative. In case the required quorum is not present at the designated time for commencement of meeting, the meeting shall be adjourned by 30 minutes and thereafter, the persons present and voting shall be deemed to constitute the quorum. For the purpose of completing the quorum, the valid proxies and Authorised Representatives shall also be considered, if the proxy in prescribed form, duly signed by the person entitled to attend and vote at the meeting, is filed through email at vedavalli.sridharan@microland.com or deposited at the registered office of the Transferee Company.

Annexure - I

3. Further in terms of the said Order, Hon'ble NCLT, has appointed Shri. Amogh C.A, Advocate as the Chairperson and Shri P. Sriram, PCS as the Scrutinizer for the meeting of the Secured Creditors of the Transferee Company.

4. Background:

3.1. Details of the Transferor Company 1:

- a) The Transferor Company 1 was incorporated as a Private Company under the name and style of "Microin Services Private Limited", on December 20, 2019 under the provisions of the Companies Act, 2013 before the Registrar of Companies, Karnataka.
- b) Corporate Identity Number (CIN): U72900KA2019PTC130874
- c) Type of the Company (Whether public or private or one-person Company) : Private Company
- d) Permanent Account Number (PAN): AANCM1780B
- e) Registered Office: 862C, 13th Main, Koramangala, Block 3, Bengaluru – 560034, Karnataka, India
- f) E-mail address: Anandhi.Thangavelu@microland.com
- g) The objects for which the Transferor Company 1 has been established are set out in the Memorandum of Association.

The relevant main objects of the Transferor Company 1 as set out in its Memorandum of Association are as follows:

"(III)(a)(1) To be in the business of providing Management Consultancy in areas of business operations, process analysis, strategy development and operational improvement services.

III)(a)(2) To establish, design, develop, maintain, organize, conduct, provide, procure or make available consulting services, trainings, coaching programs and products in and outside of India covering all branches of services including management, commercial, business, statistical, financial, accountancy, information technology, medical, legal, educational, engineering, data processing, communication and other technological social or other services and products towards designing, building and managing business process, technology and people to enable good business outcomes.

(III)(a)(3) To carry on the business in agricultural production by cultivation or farming on land, space, water or in special chambers and to purchase, acquire, use and employ land in agricultural, horticultural or pastoral use and to carry on the business of general farmers, fair farmers, orchardists, pastoralists, and growers of produce of any description for which the lands may from time to time be found to be most adoptable or suitable."

- h) There has been no change in the name and registered office since incorporation. The Object Clause was altered subsequent to the incorporation of the Company.
- i) Name of the stock exchange (s) where securities of the company are listed, if applicable; Not Applicable
- j) The Transferor Company 1 is primarily engaged in the business to establish, design, develop, maintain, organize consulting services, trainings and products covering all branches of services including management, commercial, business, information technology, legal, engineering, data processing, communication and other technological social or other services and products and the business of acquiring the software and hardware, providing management consultancy in areas of business operations, process analysis, strategy development and operational improvement services.

- k) The authorised, issued, subscribed and paid-up share capital of the Transferor Company 1 as on August 31, 2021 is as under:

Particulars	Amount in Rs.
Authorized Share Capital	
10,000 Equity shares of Rs. 10 each	1,00,000
Total	1,00,000
Issued, subscribed and paid-up Share Capital	
10,000 Equity shares of Rs. 10 each	1,00,000
Total	1,00,000

Subsequent to 31 August 2021 there has been no change in the Authorized, Issued, Subscribed and Paid-up Capital of the Transferor Company 1.

- l) Names of the Promoters and Directors along with their addresses:

Name	Designation & DIN	Address
Mr. Pradeep Kar	Promoter and Director (DIN: 00129501)	Praana, 862/C, 13th Main, Koramangala Block 3, Bangalore 560034
Mrs. Kalpana Kar	Promoter and Director (DIN: 00492822)	Praana, 862/C, 13th Main, Koramangala Block 3, Bangalore 560034

3.2. Details of the Transferor Company 2:

- The Transferor Company 2 was incorporated as a Private Company under the name and style of "Innerframe Services Private Limited", on November 12, 2020 under the provisions of the Companies Act, 2013 before the Registrar of Companies, Karnataka.
- Corporate Identity Number (CIN): U74999KA2020PTC140995
- Type of the Company (Whether public or private or one-person Company) : Private Company
- Permanent Account Number (PAN): AAFCI8989N
- Registered Office: 862/C, 'PRAANA', 13th Main, 3rd Block, Koramangala, Bengaluru – 560034, Karnataka, India
- E-mail address: Anandhi.Thangavelu@microland.com
- The objects for which the Transferor Company 2 has been established are set out in the Memorandum of Association.

The relevant main objects of the Transferor Company 2 as set out in its Memorandum of Association are as follows:

"(III)(a)(1) To establish, design, develop, maintain, organize, conduct, provide, procure or make available consulting services, trainings, coaching programs and products in the area of business operations process analysis, strategy development and operational improvement services, in and outside of India.

(III)(a)(2) To be in the business of providing Management Consultancy services covering all branches of services including management, commercial, business, statistical, financial, accountancy, information technology, medical, legal, educational, engineering, data processing, communication and other technological social or other services and products towards designing, building and managing business process, technology and people to enable good business outcomes."

Annexure - I

- h) There has been no change in the name, registered office and the objects of the Transferor Company 2 since incorporation.
- i) Name of the stock exchange (s) where securities of the company are listed, if applicable; Not Applicable
- j) The Transferor Company 2 is primarily engaged in the business to establish, design, develop, maintain, organize consulting services, trainings and products in areas of business operations, process analysis, strategy development and operational improvement services and the business of providing Management Consultancy services covering all branches of services including management, commercial, business, information technology, legal, engineering, data processing, communication and other technological social or other services and products towards designing, building and managing business process, technology and people to enable good business outcomes.
- k) The authorised, issued, subscribed and paid-up share capital of the Transferor Company 2 as on August 31, 2021 is as under:

Particulars	Amount in Rs.
Authorized Share Capital	
10,000 Equity shares of Rs. 10 each	1,00,000
Total	1,00,000
Issued, subscribed and paid-up Share Capital	
10,000 Equity shares of Rs. 10 each	1,00,000
Total	1,00,000

Subsequent to 31 August 2021 there has been no change in the Authorized, Issued, Subscribed and Paid-up Capital of the Transferor Company 2.

- l) Names of the promoters and directors along with their addresses:

Name	Designation	Address
Mr. Pradeep Kar	Promoter and Director (DIN : 00129501)	Praana, 862/C, 13th Main, Koramangala Block 3, Bangalore 560034
Mrs. Kalpana Kar	Promoter and Director (DIN : 00492822)	Praana, 862/C, 13th Main, Koramangala Block 3, Bangalore 560034

3.3. Details of the Transferee Company:

- a) The Transferee Company was incorporated as a Private Company under the name and style of "Microland Electronics Private Limited" on April 20, 1989 under the provisions of the Companies Act, 1956 before the Registrar of Companies ('ROC'), Tamil Nadu. Subsequently, the name of the Transferee Company was changed to "Microland Electronics Limited" and then to "Microland Limited" vide fresh Certificate of Incorporation dated October 29, 1990 and November 30, 1992 respectively issued by ROC, Tamil Nadu. Further, the registered office of the Transferee Company was shifted from the State of Tamil Nadu to the State of Karnataka vide Certificate of Registration dated June 18, 1993 issued by ROC, Karnataka. The Transferee Company is duly existing under the Companies Act, 2013.
- b) Corporate Identity Number (CIN): U85110KA1989PLC014450
- c) Type of the Company (Whether public or private or one-person Company) : Public Company
- d) Permanent Account Number (PAN): AABCM2704P
- e) Registered Office: 1B, RMZ Ecospace, Bellandur Outer Ring Road, Bengaluru – 560103, Karnataka, India
- f) E-mail address: Vedavalli.sridharan@microland.com

- g) The objects for which the Transferee Company has been established are set out in the Memorandum of Association.
The relevant main objects of the Transferee Company as set out in its Memorandum of Association are as follows:

“(III)(A)(1) To carry on business as developers of software for computer applications used in Micro Computer, Minicomputers and Mainframe Computer Installations, including Networking and communication environments.

(III)(A)(2) To be in the business of providing total computer solutions involving Consultancy, Systems Study, Selection of Computer Hardware and Software, Software Development, Computer Training, Computer Maintenance and other services.

(III)(A)(3) To provide a wide range of Computer related services including Data Processing, Hiring/Leasing of Computer Equipment, Desk Top Publishing, Computer Graphics and Presentation Graphics, Computer Communication including telex interfaces, fax services, etc.

(III)(A)(4) To be in the business of manufacture of Computer Equipment, components, etc.

(III)(A)(5) To act as Distributors/Dealers for Computers, Computer Peripherals, Computer Accessories, Software, Training, Material, Components, Spare Parts and other Electronic items.”

- h) There has been no change in the name, registered office and the objects of the Transferee Company in the last 5 (five) years.
- i) Name of the stock exchange (s) where securities of the company are listed, if applicable; Not applicable
- j) The Transferee Company is primarily engaged in the business as a developer of software for computer applications used in microcomputer, minicomputers and mainframe computer installations, including networking and communication environments. Microland also is in the business of providing total computer solutions involving consultancy, systems study, selection of computer hardware and software, software development, computer training, computer maintenance and other services.
- k) The authorised, issued, subscribed and paid-up share capital of the Transferee Company as on August 31, 2021 is as under:

Particulars	Amount in Rs.
Authorized Share Capital	
22,00,00,000 Equity shares of Rs. 1 each	22,00,00,000
5,30,00,000 0.01% non-cumulative convertible/ redeemable Series A Preference shares of Rs.10 each	53,00,00,000
Total	75,00,00,000
Issued, subscribed and paid-up Share Capital	
14,05,19,550 Equity shares of Re.1 each, fully paid up	14,05,19,550
Total	14,05,19,550

Subsequent to 31 August 2021 there has been an allotment of 20,000 Equity shares through exercise of Employee Stock Option Plan.

Annexure - I

- l) Names of the promoters and directors along with their addresses:

Name	Designation	Address
Mr. Pradeep Kar	Promoter and Chairman & Managing Director (DIN: 00129501)	Praana, 862/C, 13th Main, Koramangala Block 3, Bangalore 560034
Ms. Revathy Ashok	Director (DIN: 00057539)	139/6-2 Domlur Layout Sharadamma Layout, Bengaluru – 560071
Mr. Pravin Ratilal Gandhi	Director (DIN: 00694153)	B-25, 19 Fulchand Niwas Chowpatty Sea Face, Chowpatty, Grant Road Mumbai 400007

3.4. Relationship subsisting between the companies who are parties to the Scheme of Amalgamation

The Transferor Company 1 and the Transferor Company 2 holds 35.86% and 18.81% respectively of the issued, subscribed and paid up capital of the Transferee Company.

Further, Mr. Pradeep Kar is the Promoter and common director in the Transferor Companies and the Transferee Company and is the Founder, Promoter, Chairman and Managing Director of the Transferee Company.

4. Rationale of the Scheme:

Objective and Rationale as set out in Part I of the Scheme is as under

“3. Objective and Rationale of the Scheme

3.1 The Transferor Companies and the Transferee Company form part of the same group and the proposed Amalgamation is part of an internal restructuring exercise. The Transferor Companies acquired a controlling stake of 54.66% in the Transferee Company on a paid-up capital basis (35.86% equity stake held by Transferor Company 1 and 18.81% equity stake is held by Transferor Company 2). With an intent to accelerate the business and achieve the long-term vision of the Transferee Company and to streamline the holding structure, the Transferor Companies are proposed to be amalgamated with the Transferee Company

3.2 Consequently, to achieve the intended objective of consolidating the businesses of the Transferor Companies and the Transferee Company, and to promote the business of the Transferee Company as also envisaged at the time of acquisition of stake in the Transferee Company, a merger of Transferor Company 1 and Transferor Company 2 with Transferee Company is contemplated through this Scheme. The equity stake held by the Transferor Companies in the Transferee Company was always intended to be in the best interest of the Group to meet its business obligations, pursue the long-term business strategy and vision of the Transferee Company, improvement in the overall capital structure and enhancement/ advancement in the business operations of the Transferee Company. In addition, this amalgamation would provide transparency to the Promoters to engage and deal with the Transferee Company directly, leading to commitment and better functioning of businesses of the Transferee Company and benefit for the other shareholders of the Transferee Company.

3.3. It is expected that the integration, consolidation and amalgamation of the Transferor Companies with the Transferee Company would, inter-alia entail the following benefits:

(i) Achieve greater integration and greater financial strength and flexibility for the combined entity leading to stronger negotiation power in the market and strengthened leadership in the industry;

(ii) Achieve greater efficiency in cash management and unfettered access to large cash flows, effective and centralized management of funds generated by the combined business which can be deployed more efficiently to fund larger projects with a stronger platform and strengthen brand visibility;

(iii) Achieve business growth in a more advantageous manner by combining all the businesses undertaken by the Parties into one and thereby provide an integrated offering to stakeholders as well as external customers/agencies;

(iv) Achieve cost savings on account of reduction of various statutory and regulatory compliances, elimination of arm's length margins, standardization and simplification of business processes, elimination of duplication and rationalization of administrative expenses and simplification of structure;

(v) Achieve administrative efficiency through better or centralized control over ongoing and future tax compliances/ litigation under various tax laws, corporate laws and exchange control regulations; and

(vi) the amalgamation will lead to the formation of a stronger entity having greater capacity for conducting its operations more efficiently and competitively.

In view of the aforesaid, the Board of Directors of the Transferor Companies and the Transferee Company have considered and proposed the amalgamation for the transfer and vesting of the Transferor Companies with and into the Transferee Company and other matters herein, and that amalgamation would benefit the shareholders, creditors, employees and other stakeholders of the Transferor Companies and the Transferee Company.

The Scheme is between the Transferor Company 1, Transferor Company 2 and the Transferee Company and their respective shareholders and creditors and is not intended to be a compromise with any of their creditors.

Notwithstanding anything contained herein, the Amalgamation of the Transferor Company 1 and the Transferor Company 2 into the Transferee Company in accordance with this Scheme shall not directly or indirectly lead to or cause or will result in there being a Microin Change of Control (as defined hereinafter) or an Innerframe Change of Control (as defined hereinafter)."

In view of the aforesaid, the Board of Directors of the Transferor Companies and the Transferee Company have considered and proposed this Scheme of Amalgamation under the provisions of Sections 230-232 and other applicable provisions of the Companies Act, 2013.

5. Background of the Scheme:

- 5.1. The Scheme provides for the amalgamation of Transferor Company 1 and Transferor Company 2 into Transferee Company, which would thereby result in amalgamation of each of the Transferor Company 1 and the Transferor Company 2 into the Transferee Company, pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 and applicable rules. Further, this Amalgamation of Transferor Company 1 and Transferor Company 2 shall take effect from the Appointed Date 1 (as defined hereinafter) and the Appointed Date 2 (as defined hereinafter) respectively and shall be in accordance with the provisions of Section 2(1B) of the Income-tax Act, 1961.
- 5.2. "Appointed Date 1" means the close of business on 30 April 2021 or such date as may be determined by the Board of Directors of the Transferor Company 1, and the Transferee Company.
- 5.3. "Appointed Date 2" means the close of business on 31 August 2021 or such date as may be determined by the Board of Directors of the Transferor Company 2 and the Transferee Company.
- 5.4. "Effective Date" means the date or the last of the dates on which the certified copy of the order of the NCLT sanctioning this Scheme of Amalgamation is filed with the Registrar of Companies, Karnataka, by the Transferor Companies and Transferee Company.

Annexure - I

5.5. Salient features of the scheme are set out as below:

- a) With effect from the Appointed Date 1 and Appointed Date 2, the whole of the undertaking and business of the Transferor Company 1 and Transferor Company 2 respectively, with all their properties, assets shall without any further act, instrument, deed or order to be transferred to and vested in the Transferee Company as a going concern.
- b) Upon the scheme being effective, all the equity shares held by the Transferor Companies in the Transferee Company shall stand cancelled or extinguished without any further act or deed without any payment or consideration and no shares of the Transferee Company shall be issued in lieu thereof to that extent. Accordingly, the share capital of the Transferee Company shall stand cancelled or extinguished to the extent of face value of shares held by the Transferor Companies in the Transferee Company.
- c) On and from the respective Appointed Dates, all debts, secured and unsecured liabilities and obligations of every kind including tax liabilities, if any, of the Transferor Companies to become the debts, liabilities and obligations of the Transferee Company from that date.
- d) All legal proceedings of whatsoever in nature by or against the Transferor Companies shall be continued by or against the Transferee Company.
- e) All the contracts and deeds of which the Transferor Companies are a party shall remain in full force and effect against or in favor of the Transferee Company.
- f) On and from the respective Appointed Dates, the Transferor Companies shall be deemed to have carried on and carry on their business for and on behalf of the Transferee Company.
- g) All the employees working in the Transferor Companies, if any, shall become the employees of the Transferee Company without any break or interruption in service and on terms of service not less favorable than those enjoyed by them.
- h) Upon the Scheme becoming effective, the Transferor Companies shall stand dissolved with effect from the Appointed Date without going through the process of winding up.
- i) Upon the Scheme coming into effect, the Transferee Company shall issue and allot 3,49,070 (Three Lacs Forty Nine Thousand and Seventy) fully paid equity shares of Re. 1/- (Rupees One) each of the Transferee Company for every 100 (Hundred) Equity Shares of Rs 10/- (Rupee Ten) each held in the Transferor Company 1, resulting in the issue of 3,49,07,000 equity shares of Re 1 each by the Transferee Company to the shareholders of the Transferor Company 1.
- j) Upon the Scheme coming into effect, the Transferee Company shall issue and allot 1,37,737 (One Lac Thirty Seven Thousand Seven Hundred Thirty Seven) fully paid equity shares of Re. 1/- (Rupees One) each of the Transferee Company for every 100 (Hundred) Equity Shares of Rs 10/- (Rupee Ten) each held in the Transferor Company 2, resulting in the issue of 1,37,73,700 equity shares of Re 1 each by the Transferee Company to the shareholders of the Transferor Company 2.

5.6. The equity shares to be so issued to the shareholders of the Transferor Company 1 and the Transferor Company 2 have been determined based on the share entitlement ratio as recommended by the Valuation Report dated October 2, 2021 issued by Shilpa Kiran G, Registered Valuer. The same is annexed to this Notice as **Annexure C**. The same is available for inspection at the registered office of the Company.

5.7. The Scheme is between the Transferor Company 1, Transferor Company 2 and the Transferee Company and their respective shareholders **and creditors and is not intended to be a compromise with any of their creditors.**

5.8. The Scheme shall be effective at and from the Appointed Date 1 and the Appointed Date 2 i.e. April 30, 2021 and August 31, 2021 respectively for the Amalgamation of Transferor Company 1 and Transferor Company 2 into the Transferee Company but shall be operative from the Effective Date.

A copy of the Scheme setting out in detail the terms and conditions of the Amalgamation, as approved by Board of Directors of the Transferor Company 1, Transferor Company 2 and the Transferee Company at their respective Board Meetings, is annexed to this Notice as **Annexure A** and forms part of this Statement.

6. **Effect of the Scheme on various Parties:**

Sl. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
(i)	Shareholders	<p>The Transferor Companies and the Transferee Company has only one class of equity shareholders and does not have any preference shareholders.</p> <p>The Shareholders of the Transferor Companies shall be issued shares of the Transferee Company upon the scheme becoming effective as per the share entitlement ratio mentioned in the Scheme.</p> <p>Further, upon the scheme being effective, all the equity shares held by the Transferor Company 1 and Transferor Company 2 in the Transferee Company shall stand cancelled or extinguished without any further act or deed without any payment or consideration and no shares of the Transferee Company shall be issued in lieu thereof to that extent.</p> <p>The Scheme is expected to have several benefits for the Company, as indicated in the rationale to the Scheme, as set out above and is expected to be in the best interests of the shareholders of the Company.</p>
(ii)	Promoter Shareholder	<p>The Promoters of the Transferee Company shall not be issued any shares in their capacity as Promoter shareholder of the Transferee Company.</p> <p>However, shares shall be issued to the Promoters in their capacity as Promoter shareholders in the Transferor Company 1 and Transferor Company 2 as per the swap ratio mentioned in the scheme.</p> <p>Please refer to point (i) above for details regarding effect on the shareholders.</p>
(iii)	Non-Promoter Shareholders	<p>The Non-Promoters Shareholders of the Transferee Company shall not be issued any shares.</p> <p>Transferor Companies do not have any Non-Promoter Shareholder.</p> <p>Please refer to point (i) above for details regarding effect on the shareholders.</p>
(iv)	Key Managerial Personnel	<p>The KMPs of the Transferee Company shall continue as key managerial personnel after effectiveness of the Scheme and there will be no change in the KMP of the Transferee Company pursuant to the Scheme.</p>

Annexure - I

		The Transferor Companies shall stand liquidated pursuant to the Scheme of Amalgamation. Accordingly, the KMPs shall cease to continue as key managerial personnel of the Transferor Companies after effectiveness of the Scheme. Please refer to point (i) above for details regarding effect on the KMP who are the shareholders of the Company.
(v)	Creditor/ Debenture Holder/Debenture Trustee	On and from the respective Appointed Dates, all debts, secured and unsecured liabilities and obligations of every kind of the Transferor Companies to become the debts, liabilities and obligations of the Transferee Company from that date. There shall be no effect on the Creditors of the Transferee Companies
(vi)	Director Interest	Please refer to point (i) above for details regarding effect on the Director who are the shareholders of the Company
(vii)	Employees	All the employees working in the Transferor Companies, if any, shall become the employees of the Transferee Company without any break or interruption in service and on terms of service not less favorable than those enjoyed by them There shall be no effect on the employees of the Transferee Companies
(viii)	Depositors and Deposit Trustee	Not Applicable

Further, a report adopted by the Directors of the Transferor and the Transferee Companies, explaining effect of the Scheme of Amalgamation on each class of Shareholders, KMP, Promoters and Non-Promoter Shareholders is annexed as **Annexure B1-B3**.

7. Corporate Approvals

7.1. The scheme was first placed before the Audit Committee of the Transferee Company at their meeting held on October 2, 2021. The Audit Committee considered the Valuation report dated October 2, 2021 issued by Shilpa Kiran G, Registered Valuer and thereafter, recommended the Scheme for approval to the Board of Directors of the Transferee Company.

7.2. The Board of Directors of the Transferee Company, Transferor Company 1 and the Transferor Company 2 at their respective Board Meetings held on October 2, 2021 and October 5, 2021 and October 5, 2021 approved the proposed Scheme, after taking on record Valuation Report dated October 2, 2021 issued by Shilpa Kiran G, Registered Valuer. The same is annexed to this Notice as **Annexure C**.

7.3. Names of the directors who voted in favor of the resolution, who voted against the resolution and who did not vote or participate in such resolution at the said meetings:

a) Transferor Company 1

Name of the Director	Designation	Voted in Favour	Voted in Against	Abstained from Voting
Mr. Pradeep Kar	Director	Yes	NA	NA
Mrs. Kalpana Kar	Director	Yes	NA	NA

Name of the Director	Designation	Voted in Favour	Voted in Against	Abstained from Voting
Mr. Pradeep Kar	Director	Yes	NA	NA
Mrs. Kalpana Kar	Director	Yes	NA	NA

c) Transferee Company

Name of the Director	Designation	Voted in Favour	Voted in Against	Abstained from Voting
Mr. Pradeep Kar	Chairman and Managing Director	NA	NA	Yes
Ms. Revathy Ashok	Director	Yes	NA	NA
Mr. Pravin Ratilal Gandhi	Director	Yes	NA	NA

8. The management certified unaudited financials of the Transferee Company for the nine months period ended December 31, 2021 are enclosed as **Annexure D**.
9. Summary of Valuation Report including basis of valuation is enclosed herewith as **Annexure C**.
10. Amount due to Creditors of the Companies are as under:

Particulars	Transferor Company 1 (as on 07.09.2021)		Transferor Company 2 (as on 31.08.2021)		Transferee Company (as on 31.08.2021)	
	Number	Amount (Rs. Cr)	Number	Amount (Rs. Cr)	Number	Amount (Rs. Cr)
Secured Creditors	1	85.70	1	74.21	2	6.95
Unsecured Creditors	1	0.004	2	0.85	138*	6.45*

*The Transferee Company has further made payments to total 128 creditors amounting to Rs. 6.23 Cr and thereby reducing the outstanding unsecured creditors to 10 amounting to Rs. 0.21 Cr as on December 31, 2021

11. **Approvals/Sanctions/No-objections from Regulatory or any Governmental Authorities**

The Transferee Company may be required to seek approvals / sanctions / no-objections from certain regulatory and governmental authorities for the Scheme of Amalgamation such as the concerned Registrar of Companies, Regional Director and will obtain the same at the relevant time.

12. **General**

12.1.No investigation or proceedings are pending under the provisions of the Companies Act, 2013 in respect of the Transferor Company 1, Transferor Company 2 and the Transferee Company.

Annexure - I

12.2. The Copy of Scheme of Amalgamation has been filed with the Registrar of Companies, Bengaluru, Karnataka by the Transferor and Transferee Companies in Form GNL 1 on October 30, 2021.

13. Inspection

The following documents will be open for obtaining extract from or for making/obtaining copies of or for inspection by the Secured Creditors of the Transferee Company at the registered office at 1B, RMZ Ecospace, Bellandur Outer Ring Road, Bengaluru – 560103, Karnataka, India during the business hours on all working days, except Saturdays, Sundays and public holidays, prior to the date of the meeting

- a) Copy of the order passed by the Hon'ble NCLT in Company Application CA (CAA) No. 55/BB/2021, dated March 15, 2022 directing the Transferee Company to, inter-alia, convene the meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors;
- b) Copy of the Memorandum and Articles of Association of all the Companies;
- c) Copy of the Audited Financial Statements of all the Companies as on March 31, 2021;
- d) Copy of the Management Certified Unaudited Financial Statements of the Transferee Company for the nine months period ended as on December 31, 2021;
- e) Copy of the Statutory Auditor's Certificates, to the effect that the accounting treatment proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Act issued by the Auditors of all the Companies;
- f) Report adopted by the Board of Directors of all the Companies explaining effect of compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio
- g) Copy of the Board Resolution approving the Scheme of amalgamation passed by all the Companies
- h) Copy of the Scheme;
- i) Valuation Report dated October 2, 2021 issued by Shilpa Kiran G, Registered Valuer;

14. This statement may also be treated as an Explanatory Statement under Section 230 and Section 232 read with Section 102 of the Companies Act, 2013 along with the applicable rules.

15. After the Scheme of Amalgamation is approved by the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Transferee Company, it will be further subject to the approval by the Hon'ble National Company Law Tribunal, Bengaluru Bench.

Form No. MGT -11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U85110KA1989PLC014450

Name of the Company: **MICROLAND LIMITED**

Registered Office: 1B, RMZ Ecospace, Bellandur, Outer Ring Road Bangalore – 560 103.

Name of the Secured creditor (s):

Registered address:

E-mail Id:

I/We, being the Secured creditor (s) for Rs. as on 31.08.2021 of the above-named Company, hereby appoint:

1. Name:

Address:

.....

Email ID:

Signature....., or failing him/her

2. Name:

Address:

.....

Email ID:

Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Tribunal Convened Meeting of Secured Creditors the Company, to be held on Friday, May 6, 2022 at the registered office of the Company situated at 1B, RMZ Ecospace, Bellandur, Outer Ring Road Bangalore – 560103 at 1:00 PM IST and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Nos:

Ordinary Business: NA

Annexure II - Proxy Form

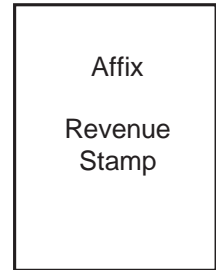
Special Business:

1. Considering and, if thought fit, approving, with or without modification the Scheme of Amalgamation of Microin Services Private Limited (Transferor Company 1), Innerframe Services Private Limited (Transferor Company 2) With Microland Limited (Transferee Company).

Signed this day of 20.....

Signature of Secured creditor

Signature of Proxy holder(s)



Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting or sent through email at vedavalli.sridharan@microland.com.
2. If creditor is company/LLP then it should accompany this form with board resolution authorizing person. The Performa board resolution is attached herewith as **Annexure IV**.
3. If creditor is partnership firm then it should accompany this form with letter of authorization. The Performa letter of authorization is attached herewith as **Annexure V**.
4. If creditor is sole proprietorship then it should accompany this form with letter of authorization. The Performa letter of authorization is attached herewith as **Annexure VI**.
5. If creditor is foreign entity then it should accompany this form with apostille and notarized board resolution/ letter of authorization (as applicable in Annexures).

ATTENDANCE SLIP

MICROLAND LIMITED

CIN: U85110KA1989PLC014450

Registered Office: 1B, RMZ Ecospace, Bellandur, Outer Ring Road Bangalore – 560 103

The amount due to Secured creditor(s) is / are to be furnished below

Amount Outstanding	

Full Name(s) of Secured Creditor

Sl. No.	Name of Secured Creditor

Full Name of the Proxy if attending the meeting:

I hereby record my presence at the Tribunal Convened Meeting of Secured Creditors of the Company to be held on Friday, May 6, 2022 at the registered office of the Company situated at 1B, RMZ Ecospace, Bellandur, Outer Ring Road, Bangalore – 560103 at 1.00 PM IST.

.....

Signature of the Secured Creditor / Proxy attending the Meeting

Please complete this attendance slip and hand it over at the entrance of the Meeting hall.

Notes:

1. If attendee is sole proprietor then it should carry identity proof.
2. If attendee is representative of sole proprietorship then it should carry letter of authorization along with identity proof. The Performa letter of authorization is attached herewith as **Annexure VI**.
3. If attendee is authorised person of partnership firm then it should carry letter of authorization along with identity proof. The Performa letter of authorization is attached herewith as **Annexure V**.
4. If attendee is representative of authorised person of partnership firm then it should carry letter of authorization along with identity proof.
5. If attendee is authorised person of company/LLP then it should carry board resolution along with identity proof. The Performa board resolution is attached herewith as **Annexure IV**.
6. If attendee is authorised person of foreign entity then it should carry board resolution/letter of authorization along with identity proof (as applicable in Annexures).

Annexure IV – Board Resolution

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF _____ HELD ON ___DAY OF _____ 2022 AT ___AM AT THE REGISTERED OFFICE OF THE COMPANY.

AUTHORISATION FOR REPRESENTATION

“**RESOLVED THAT** pursuant to the provisions of the Companies Act, 2013(the Act) and any other applicable provisions of the Act read with Rules thereunder consent of the board be and is hereby accorded to authorize Mr/Ms. _____, to act as representative of our organization and to attend and vote in respect of all items of business at the Secured Creditors meeting to be held on 6th day of May, 2022 at 1B, RMZ Ecospace Belandur, Outer Ring Road Bangalore 560103 at 1:00 P.M or at any adjournments thereof”.

RESOLVED FUTHER that representative is hereby authorized to sign and submit all the necessary papers, letters, forms, etc. to be submitted by the company in connection with the meeting. The acts done and documents shall be binding on the company”.

For _____

Name of the director_____

Designation_____

AUTHORIZATION LETTER

To,

Chairperson

Secured Creditor meeting,

MICROLAND LIMITED,

1B, RMZ Ecospace Belandur

Outer Ring Road Bangalore - 560103

Sub: Authorization letter to attend and vote in the Secured Creditors Meeting.

Dear Sir,

We M/s _____ do hereby authorize _____ to represent us to attend and vote at the meeting of Secured Creditors to be held on 6th day of May, 2022 at 1B, RMZ Ecospace Belandur, Outer Ring Road Bangalore 560103 at 1:00 P.M and exercise any rights and the powers (including the right to vote by proxy) in the same manner as we could exercise as a secured creditor of MICROLAND LIMITED and any adjournment thereof.

PLACE:

DATE:

Signature: _____

Name: _____

Designation: _____

Annexure VI – Letter of Authorization

AUTHORIZATION LETTER (for sole proprietorship)

To,

Chairman

Secured Creditor meeting,

MICROLAND LIMITED,

1B, RMZ Ecospace Belandur

Outer Ring Road Bangalore - 560103

Sub: Authorization letter to attend and vote in the Secured Creditors Meeting.

Dear Sir,

I undersigned _____ do hereby authorize _____ to represent me to attend and vote at the meeting of Secured Creditors to be held on 6th day of May, 2022 at 1B, RMZ Ecospace Belandur, Outer Ring Road Bangalore 560103 at 1:00 P.M. and exercise any rights and the powers (including the right to vote by proxy) in the same manner as I could exercise as a secured creditor of MICROLAND LIMITED and any adjournment thereof.

PLACE:

DATE:

Signature: _____

Name: _____

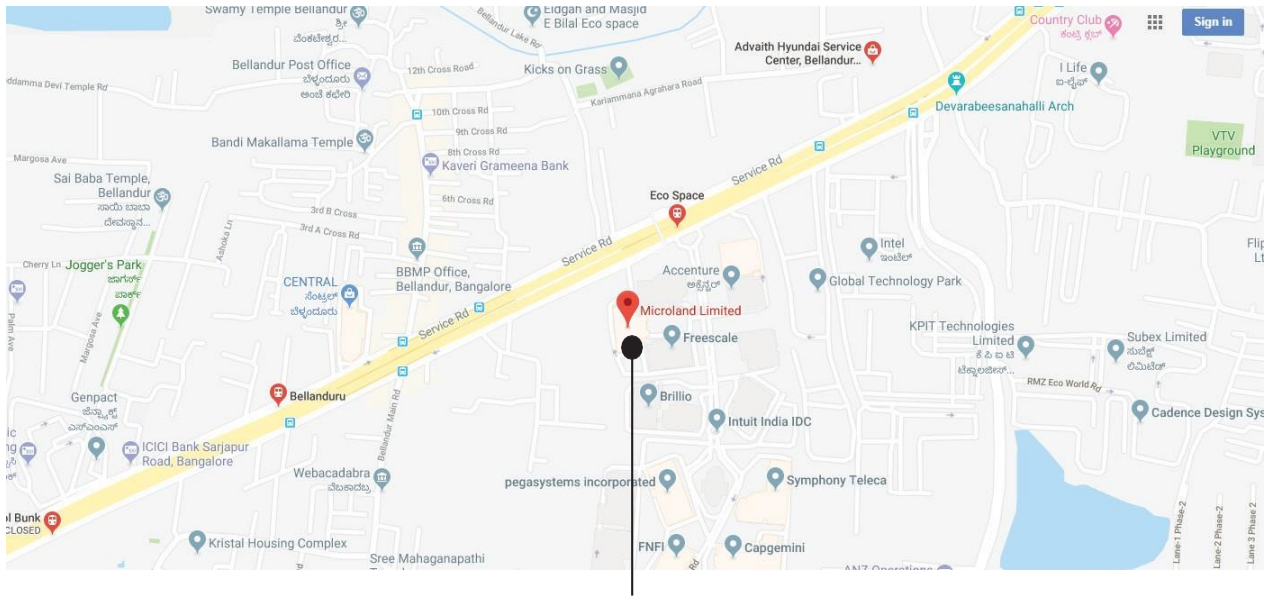
Designation: _____

MICROLAND LIMITED

CIN: U85110KA1989PLC014450

Registered Office: 1B, RMZ Ecospace, Bellandur, Outer Ring Road Bangalore – 560 103.

Route Map:



MICROLAND office on Bellandur Outer Ring Road

SCHEME OF AMALGAMATION

BETWEEN

MICROIN SERVICES PRIVATE LIMITED - "TRANSFEROR COMPANY 1"

AND

INNERFRAME SERVICES PRIVATE LIMITED - "TRANSFEROR COMPANY 2"

AND

MICROLAND LIMITED - "TRANSFeree COMPANY"

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Under the provisions of Section 230 to Section 232 and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder

PARTS OF THE SCHEME


The Scheme is divided into the following parts:

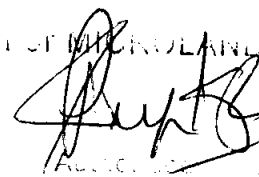
- Part I** Deals with Preamble, Description of the Companies and Rationale of the Scheme
- Part II** Deals with Definitions, Interpretation and Share Capital
- Part III** Deals with the mechanics of the Scheme and contains the following sections
- a) **Section A** - Amalgamation of Transferor Company 1 with Transferee Company; and
 - b) **Section B** -Amalgamation of Transferor Company 2 with Transferee Company
- Part IV** Deals with the General Terms and Conditions that will be applicable to the Scheme

For Microin Services Private Limited


 Authorised Signatory

For INNERFRAME SERVICES PRIVATE LIMITED,


 DIRECTOR

 For MICROLAND LIMITED

 Authorised Signatory

PART I**PREAMBLE, DESCRIPTION OF THE COMPANIES AND RATIONALE OF THE SCHEME****1. PREAMBLE**

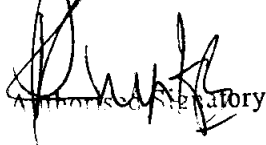
This Scheme of Amalgamation (“**the Scheme**”) is presented pursuant to Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, (including any statutory modification or re-enactment thereof, for the time being in force) for amalgamation of Microin Services Private Limited (“**Microin**” or “**Transferor Company 1**”) and Innerframe Services Private Limited (“**Innerframe**” or “**Transferor Company 2**”) with Microland Limited (“**Microland**” or “**Transferee Company**”). The Scheme also provides for various other matters consequential to or otherwise integrally connected herewith.

2. DESCRIPTION OF THE COMPANIES

2.1. **Microin, Transferor Company 1** is a private limited company incorporated under the provisions of the Companies Act, 2013 having its registered office at 862C, 13th Main, Koramangala, Block 3, Bengaluru – 560034, Karnataka, India. Microin was incorporated vide certificate dated 20 December 2019 with a CIN of U72900KA2019PTC130874 issued by the Registrar of Companies, Karnataka, India. Microin was incorporated with the following objects: to establish, design, develop, maintain, organize consulting services, trainings and products covering all branches of services including management, commercial, business, information technology, legal, engineering, data processing, communication and other technological social or other services and products and the business of acquiring the software and hardware, providing management consultancy in areas of business operations, process analysis, strategy development and operational improvement services.


2.2. **Innerframe, Transferor Company 2** is a private limited company incorporated under the provisions of the Companies Act, 2013 having its registered office at 862/C, 'PRAANA', 13th Main, 3rd Block, Koramangala, Bengaluru – 560034, Karnataka, India. Innerframe was incorporated vide certificate dated 12 November 2020 with a CIN of U74999KA2020PTC140995 issued by the Registrar of Companies, Karnataka, India. Innerframe was incorporated with the following objects: to establish, design, develop, maintain, organize consulting services, trainings and products in areas of business operations, process analysis, strategy development and operational improvement services and the business of providing Management Consultancy services covering all branches of services including management, commercial, business, information technology, legal, engineering, data processing, communication and other technological social or other services and products towards designing, building and managing business process, technology and people to enable good business outcomes.

For Microin Services Private Limited



Authorized Signatory

For INNERFRAME SERVICES PRIVATE LIMITED



Page 2 DIRECTOR

For MICROLAND LIMITED



Authorized Signatories

- 2.3. **Microland, Transferee Company** is an unlisted public company incorporated under the provisions of the Companies Act, 1956 and duly existing under the Companies Act, 2013 having its registered office at 1B, RMZ Ecospace, Bellandur Outer Ring Road, Bengaluru – 560103, Karnataka, India. Microland was incorporated vide certificate dated 20 April 1989 with a CIN of U85110KA1989PLC014450. It primarily carries on the business as a developer of software for computer applications used in microcomputer, minicomputers and mainframe computer installations, including networking and communication environments. Microland also is in the business of providing total computer solutions involving consultancy, systems study, selection of computer hardware and software, software development, computer training, computer maintenance and other services. Microland has its headquarters in Bengaluru, India.

This comprehensive Scheme provides for the amalgamation of Transferor Company 1 and Transferor Company 2 into Transferee Company, which would thereby result in amalgamation of each of the First Transferor Company and the Second Transferor Company into the Transferee Company, pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 and applicable rules (the "Amalgamation"). Further, this Amalgamation of Transferor Company 1 and Transferor Company 2 shall take effect from the Appointed Date 1 (as defined hereinafter) and the Appointed Date 2 (as defined hereinafter) respectively and shall be in accordance with the provisions of Section 2(1B) of the Income-tax Act, 1961.

Hereinafter, the Transferor Company 1 and Transferor Company 2 will be collectively referred as "**Transferor Companies**". The Transferor Companies and Transferee Company are individually referred to as a "**Party**" and collectively referred to as "**Parties**".

3. OBJECTIVES AND RATIONALE OF THE SCHEME

- 3.1. The Transferor Companies and the Transferee Company form part of the same group and the proposed Amalgamation is part of an internal restructuring exercise. The Transferor Companies acquired a controlling stake of 54.66% in the Transferee Company on a paid-up capital basis (35.86% equity stake held by Transferor Company 1 and 18.81% equity stake is held by Transferor Company 2). With an intent to accelerate the business and achieve the long-term vision of the Transferee Company and to streamline the holding structure, the Transferor Companies are proposed to be amalgamated with the Transferee Company.
- 3.2. Consequently, to achieve the intended objective of consolidating the businesses of the Transferor Companies and the Transferee Company, and to promote the business of the Transferee Company as also envisaged at the time of acquisition of stake in the Transferee Company, a merger of Transferor Company 1 and Transferor Company 2 with Transferee Company is contemplated through this Scheme. The equity stake held by the Transferor Companies in the Transferee Company was always intended to be in the best interest of the Group to meet its business obligations, pursue the long-term business strategy and vision of the Transferee Company, improvement in the overall

For Microland Services Private Limited


Authorised Signatory

For INNERFRAME SERVICES PRIVATE LIMITED


Page 3
DIRECTOR

For MICROLAND LIMITED


Authorised Signatory

capital structure and enhancement/ advancement in the business operations of the Transferee Company. In addition, this amalgamation would provide transparency to the Promoters to engage and deal with the Transferee Company directly, leading to commitment and better functioning of businesses of the Transferee Company and benefit for the other shareholders of the Transferee Company.


3.3. It is expected that the integration, consolidation and amalgamation of the Transferor Companies with the Transferee Company would, inter-alia entail the following benefits:

- (i) Achieve greater integration and greater financial strength and flexibility for the combined entity leading to stronger negotiation power in the market and strengthened leadership in the industry;
- (ii) Achieve greater efficiency in cash management and unfettered access to large cash flows, effective and centralized management of funds generated by the combined business which can be deployed more efficiently to fund larger projects with a stronger platform and strengthen brand visibility;
- (iii) Achieve business growth in a more advantageous manner by combining all the businesses undertaken by the Parties into one and thereby provide an integrated offering to stakeholders as well as external customers/ agencies;
- (iv) Achieve cost savings on account of reduction of various statutory and regulatory compliances, elimination of arm's length margins, standardization and simplification of business processes, elimination of duplication and rationalization of administrative expenses and simplification of structure;
- (v) Achieve administrative efficiency through better or centralized control over ongoing and future tax compliances/ litigation under various tax laws, corporate laws and exchange control regulations; and
- (vi) the amalgamation will lead to the formation of a stronger entity having greater capacity for conducting its operations more efficiently and competitively.

In view of the aforesaid, the Board of Directors of the Transferor Companies and the Transferee Company have considered and proposed the amalgamation for the transfer and vesting of the Transferor Companies with and into the Transferee Company and other matters herein, and that amalgamation would benefit the shareholders, creditors, employees and other stakeholders of the Transferor Companies and the Transferee Company.

The Scheme is between the Transferor Company 1, Transferor Company 2 and the Transferee Company and their respective shareholders and creditors and is not intended to be a compromise with any of their creditors.


For Microin Services Private Limited


Authorised Signatory

For INNERFRAME SERVICES PRIVATE LIMITED


DIRECTOR

For MICROLAND LIMITED


Authorised Signatory

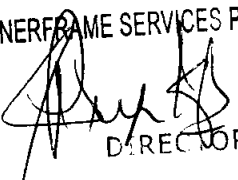
Notwithstanding anything contained herein, the Amalgamation of the Transferor Company 1 and the Transferor Company 2 into the Transferee Company in accordance with this Scheme shall not directly or indirectly lead to or cause or will result in there being a Microin Change of Control (as defined hereinafter) or an Innerframe Change of Control (as defined hereinafter).

For Microin Services Private Limited



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For INNERFRAME SERVICES PRIVATE LIMITED



DIRECTOR

For MICROLAND LIMITED



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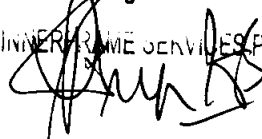
PART II**DEFINITIONS AND SHARE CAPITAL****4. DEFINITIONS**

- 4.1. **“Act” or “the Act”** means the Companies Act, 2013 and the Rules and Regulations made thereunder and shall include any statutory modifications, re-enactment or amendment thereof for the time being in force.
- 4.2. **“Amalgamation”** shall mean the amalgamation of the Transferor Companies with the Transferee Company pursuant to the sections 230 to 232 and other relevant provisions of the Act, as contemplated under this scheme.
- 4.3. **“Appointed Date 1”** means the close of business on 30 April 2021 or such date as may be determined by the Board of Directors of the Transferor Company 1, and the Transferee Company.
- 4.4. **“Appointed Date 2”** means the close of business on 31 August 2021 or such date as may be determined by the Board of Directors of the Transferor Company 2 and the Transferee Company.
- 4.5. **“Board of Directors” or “Board”** means the respective Board of Directors of the Transferor Companies and the Transferee Company and includes any person authorized by the Board of Directors, as the case may be.
- 4.6. **“Companies”** means Microland, Innerframe and Microin, collectively.
- 4.7. **“Debt Securities”** shall have the meaning ascribed to it in Clause 8.1(d) and Clause 21.1(d).
- 4.8. **“Effective Date”** means the date or last of the dates on which the certified copy of the order of the NCLT sanctioning this Scheme of Amalgamation is filed with the Registrar of Companies, Karnataka, by the Transferor Companies and Transferee Company. Any reference in the Scheme to “On the Scheme becoming effective” or “Upon the Scheme becoming effective” or “Effectiveness of the Scheme” shall refer to the “Effective Date”.
- 4.9. **“ESOP Schemes”** means the Microland Employee Stock Option Plan Scheme 2007 and the Microland Employee Stock Option Plan (previously known as Microland Employee Stock Option Plan Scheme 2016) of the Transferee Company;


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- 4.10. "**Encumbrance**" shall mean options, pledge, hypothecation, mortgage, lien, security interest, claim, charge (whether fixed or floating), assignment, deed of trust, pre-emptive right, easement, limitation, attachment, restraint security interest or any other encumbrance of any kind or nature whatsoever, and the term "**Encumbered**" shall be construed accordingly.
- 4.11. "**Governmental Authority**" means any central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau, instrumentality, judicial or arbitral body having jurisdiction.
- 4.12. "**Income Tax Act**" means the Income Tax Act, 1961, including any statutory modifications, re-enactments or amendments thereof for the time being in force.
- 4.13. "**Innerframe Change of Control**" shall have the meaning ascribed to the term "Change of Control" under the Innerframe Debenture Documents.
- 4.14. "**Innerframe Debenture Documents**" means the documents executed in connection with the Innerframe Debentures.
- 4.15. "**Innerframe Debentures**" means upto 1,250 unlisted, redeemable, unrated, non-convertible debentures of the nominal value of INR 1,000,000 each, aggregating to not more than INR 1,250,000,000 issued by Transferor Company 2 on such terms and conditions as set out under the Innerframe Debenture Documents.
- 4.16. "**Microin Change of Control**" shall have the meaning ascribed to the term "Change of Control" under the Microin Debenture Documents.
- 4.17. "**Microin Debenture Documents**" means all documents executed in connection with the Microin Debentures.
- 4.18. "**Microin Debenture Trustee**" means the debenture trustee appointed in connection with the Microin Debentures.
- 4.19. "**Microin Debentures**" means upto 1,350 unlisted, redeemable, unrated, non-convertible debentures of the nominal value of INR 1,000,000 each, aggregating to not more than INR 1,350,000,000 issued by Transferor Company 1, on such terms and conditions as set out under the Microin Debenture Documents.
- 4.20. "**MIPL**" means Microland Investments Private Limited, a company incorporated under the Companies Act, 1956 and duly existing under the Companies Act, 2013 with CIN U65910KA1994PTC015396 and having its registered office at 1B Ecospace, Bellandur, Outer Ring Road, Bangalore 560103.

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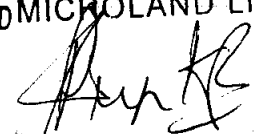
- 4.21. "**NCLT**" means the National Company Law Tribunal, Bengaluru bench, constituted under the Companies Act, 2013 and authorized as per the provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of Company under Section 230 to 232 of the Companies Act, 2013, having jurisdiction over the parties to this Scheme.
- 4.22. "**Promoters**" mean Mr. Pradeep Kar and Mrs. Kalpana Kar.
- 4.23. "**Record Date**" means the date to be fixed jointly by the Board of Directors of the Transferor Companies and the Transferee Company for determining names of the shareholders to whom equity shares will be issued and allotted by the Transferee Company as consideration for the amalgamation, in accordance with Clause 16 and Clause 29 of the Scheme.
- 4.24. "**Registrar of Companies**" means the Registrar of Companies, Karnataka, India.
- 4.25. "**Scheme**" means this Scheme of Amalgamation as set out herein in its present form, or with such modification(s) made under Clause 35 of the Scheme or with such other modification(s) approved or imposed or directed by the NCLT.
- 4.26.
- 4.27. "**Transferee Company**" means Microland Limited.
- 4.28. "**Transferor Company 1**" means Microin Services Private Limited.
- 4.29. "**Transferor Company 2**" means Innerframe Services Private Limited.
- 4.30. "**Transferor Companies**" shall mean both Transferor Company 1 and Transferor Company 2
- 4.31. "**Undertaking 1**" means the entire business and whole of the undertakings of the Transferor Company 1 as a going concern, including and not limited to all its assets, rights, licenses, powers, and all its debts outstanding, liabilities, duties, obligations, contracts and employees as on the Appointed Date 1, and shall include (without limitation):
- (a) All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) of the Transferor Company 1, including, without limitation all lands (whether leasehold or freehold), structures, estates, plants, machinery, equipment, leasehold improvements, buildings and structures, offices, capital work-in-progress, furniture, fixtures, office equipment, computers, inventories, sundry debtors, credits, deposits, loans and advances (whether recoverable in cash or in kind for value to be received), investments of all kinds, cash and cash equivalents, bank accounts (including bank balances),

For Microin Services Private Limited


 Pradeep Kar
 Director


For INNERFRAME SERVICES PRIVATE LIMITED MICROLAND LIMITED


 Kalpana Kar
 DIRECTOR


 Pradeep Kar
 Director

- intellectual property rights, trademarks, trade names, patents, copyrights, rights of any other nature whatsoever including know-how, domain names, or any applications for patents, patent rights, trademarks, trade names, design, copyrights whether tangible or otherwise, contingent rights or benefits, benefits of any deposits, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Company 1, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, leases (including lease rights), hire purchase contracts, rights and benefits under any agreement, contracts and arrangements and all other interests in connection with or relating to the Transferor Company 1, whether or not included in the books of accounts, belonging to or in the ownership, power or possession and in the control of or vested in or granted in favor of or enjoyed by the Transferor Company 1, whether in India or abroad;
- (b) All debts, borrowings, obligations, duties and liabilities, including the Microin Debentures and all obligations, duties and liabilities in relation thereto as set out under the Microin Debenture Documents, both present and future, contingent liabilities and liabilities or obligations under any licenses or permits or schemes of every kind, of whatsoever nature and description and howsoever arising, raised or incurred or utilized, whether secured or unsecured, whether in Indian rupees or foreign currency, whether provided for or not in the books of account or disclosed in the balance sheet of the Transferor Company 1 as at the Appointed Date 1;
- (c) All the investments (including shares, scrips, stocks, bonds, debenture stocks, units, certificates), branch offices and properties of whatsoever nature, of the Transferor Company 1, situated in India or anywhere outside India;
- (d) All permits, quotas, rights, claims, entitlements, registrations, industrial and other licenses and approvals, (including approvals, permissions, licenses, clearances, exemptions and all benefits relating to units in Software Technology Parks) bids, tenders, authorities, letters of intent, letter of approval, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, approvals, plans, consents, transferable development rights, rights in relation to floor area ratio, subsidies, rights under any agreements entered with parties, privileges, income tax benefits and exemptions, indirect tax credits including Goods & Service Tax credits, advance tax payments, receivables in relation to tax deducted at source, minimum alternate tax credits, reserves, tax losses, all other rights including sales tax deferrals and exemptions and other benefits, receivables, and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company 1;

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DIRECTOR
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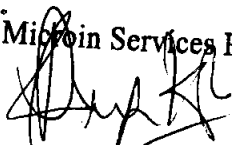
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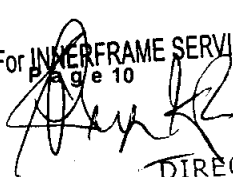
- (e) Right to any claim not presented or made by the Transferor Company 1 in respect of refund of any tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company 1 and any interest thereon, with regard to any law, act or rule or Scheme made by any Governmental Authority, and in respect of set-off, carry forward of unabsorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. under the Income Tax Act, 1961, respective indirect tax acts, or taxation laws of any state, or taxation laws of other countries, or any other or like benefits under the said acts or under and in accordance with any law or act, whether in India, or anywhere outside India; and
- (f) All staff, workmen and employees, if any, engaged in the business or in connection with the Transferor Company 1, and on the rolls of the Transferor Company 1 on the closing hours of the date immediately preceding the Effective Date;
- (g) All other liabilities and obligations of the Transferor Company 1 of whatsoever kind including liabilities with regard to the employees of the Transferor Company with respect to the payment of gratuity, pension, benefits and provident fund or compensation, if any, in the event of resignation, death, voluntary retirement or retrenchment;
- (h) Without prejudice to the generality of the above Clauses, the undertaking of the Transferor Company 1 shall include all remissions, remedies, subsidies, guarantees, bonds, hire purchase, lending arrangements, benefits of security arrangements, security contracts, computers, computer programs manuals, data, catalogues, quotations, sales and advertisement materials, list of present and former customers and suppliers, customer and supplier pricing information and all other records and documents relation to the Transferor Company 1, business activities and operations and licenses, assignments and grants in respect thereof, import quotas, and other quota rights, insurance policies, preliminary expenses, if any, benefit of deferred revenue expenditure, prepaid expenditure, consents, permissions, investments letters of intent, registrations, powers, contracts, deeds, engagements, arrangements, rights, credits, titles, goodwill, interests, benefits, memberships, advantages, leasehold rights, brands, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, industrial and other licenses of all kinds, permits, authorizations, quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities connections, installations and equipment, rights, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, reserves, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies, rights, titles, claims and all other interests, rights and powers of every kind, nature and description

For Micron Services Private Limited



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whatsoever, privileges, liberties, easements, advantages, benefits, exemptions, and approvals, all book of accounts, documents and records of whatsoever nature and where so ever situated whether in physical or electronic form, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Transferor Company 1 as at the Appointed Date 1 and thereafter.

it is intended that the definition of Undertaking under this Clause would enable the transfer of all property, assets, rights, duties, employees and liabilities of the Transferor Company 1 into the Transferee Company pursuant to this Scheme;

4.32. "**Undertaking 2**" means the entire business and whole of the undertakings of the Transferor Company 2 as a going concern, including and not limited to all its assets, rights, licenses, powers, and all its debts outstanding, liabilities, duties, obligations, contracts and employees as on the Appointed Date 2, and shall include (without limitation):

- (a) All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) of the Transferor Company 2, including, without limitation all lands (whether leasehold or freehold), structures, estates, plants, machinery, equipment, leasehold improvements, buildings and structures, offices, capital work-in-progress, furniture, fixtures, office equipment, computers, inventories, sundry debtors, credits, deposits, loans and advances (whether recoverable in cash or in kind for value to be received), investments of all kinds, cash and cash equivalents, bank accounts (including bank balances), intellectual property rights, trademarks, trade names, patents, copyrights, rights of any other nature whatsoever including know-how, domain names, or any applications for patents, patent rights, trademarks, trade names, design, copyrights whether tangible or otherwise, contingent rights or benefits, benefits of any deposits, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Company 2, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, leases (including lease rights), hire purchase contracts, rights and benefits under any agreement, contracts and arrangements and all other interests in connection with or relating to the Transferor Company 2, whether or not included in the books of accounts, belonging to or in the ownership, power or possession and in the control of or vested in or granted in favor of or enjoyed by the Transferor Company 2, whether in India or abroad;
- (b) All debts, borrowings, obligations, duties and liabilities, including the Innerframe Debentures and all obligations, duties and liabilities in relation thereto as set out under the Innerframe Debenture Documents, both present and future, contingent liabilities and liabilities or obligations under any licenses or permits or schemes of every kind, of whatsoever nature and description and howsoever arising, raised

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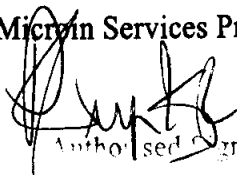
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or incurred or utilized, whether secured or unsecured, whether in Indian rupees or foreign currency, whether provided for or not in the books of account or disclosed in the balance sheet of the Transferor Company 2 as at the Appointed Date 2;

- (c) All the investments (including shares, scrips, stocks, bonds, debenture stocks, units, certificates), branch offices and properties of whatsoever nature, of the Transferor Company 2, situated in India or anywhere outside India;
- (d) All permits, quotas, rights, claims, entitlements, registrations, industrial and other licenses and approvals, (including approvals, permissions, licenses, clearances, exemptions and all benefits relating to units in Software Technology Parks) bids, tenders, authorities, letters of intent, letter of approval, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, approvals plans, consents, transferable development rights, rights in relation to floor area ratio, subsidies, rights under any agreements entered with parties, privileges, income tax benefits and exemptions, indirect tax credits including Goods & Service Tax credits, advance tax payments, receivables in relation to tax deducted at source, minimum alternate tax credits, reserves, tax losses, all other rights including sales tax deferrals and exemptions and other benefits, receivables, and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company 2;

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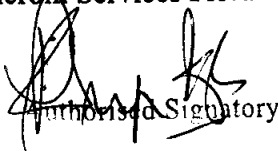

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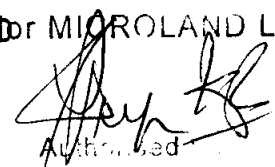
- (e) Right to any claim not presented or made by the Transferor Company 2 in respect of refund of any tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company 2 and any interest thereon, with regard to any law, act or rule or Scheme made by any Governmental Authority, and in respect of set-off, carry forward of unabsorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. under the Income Tax Act, 1961, respective indirect tax acts, or taxation laws of any state, or taxation laws of other countries, or any other or like benefits under the said acts or under and in accordance with any law or act, whether in India, or anywhere outside India; and
- (f) All staff, workmen and employees, if any, engaged in the business or in connection with the Transferor Company 2, and on the rolls of the Transferor Company 2 on the closing hours of the date immediately preceding the Effective Date;
- (g) All other liabilities and obligations of the Transferor Company 2 of whatsoever kind including liabilities with regard to the employees of the Transferor Company with respect to the payment of gratuity, pension, benefits and provident fund or compensation, if any, in the event of resignation, death, voluntary retirement or retrenchment;

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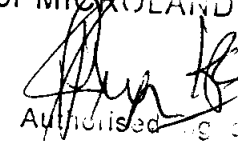
- (h) Without prejudice to the generality of the above Clauses, the undertaking of the Transferor Company 2 shall include all remissions, remedies, subsidies, guarantees, bonds, hire purchase, lending arrangements, benefits of security arrangements, security contracts, computers, computer programs manuals, data, catalogues, quotations, sales and advertisement materials, list of present and former customers and suppliers, customer and supplier pricing information and all other records and documents relation to the Transferor Company 2, business activities and operations and licenses, assignments and grants in respect thereof, import quotas, and other quota rights, insurance policies, preliminary expenses, if any, benefit of deferred revenue expenditure, prepaid expenditure, consents, permissions, investments letters of intent, registrations, powers, contracts, deeds, engagements, arrangements, rights, credits, titles, goodwill, interests, benefits, memberships, advantages, leasehold rights, brands, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, industrial and other licenses of all kinds, permits, authorizations, quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities connections, installations and equipment, rights, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, reserves, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies, rights, titles, claims and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits, exemptions, and approvals, all book of accounts, documents and records of whatsoever nature and where so ever situated whether in physical or electronic form, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Transferor Company 2 as at the Appointed Date 2 and thereafter.
- it is intended that the definition of Undertaking under this Clause would enable the transfer of all property, assets, rights, duties, employees and liabilities of the Transferor Company 2 into the Transferee Company pursuant to this Scheme;

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5. Interpretation

In this Scheme, unless the context otherwise requires:

- 5.1. words denoting singular shall include plural and vice versa;
- 5.2. headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
- 5.3. references to the word "include" or "including" shall be construed without limitation;
- 5.4. a reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;
- 5.5. unless otherwise defined, the reference to the word "days" shall mean calendar days;
- 5.6. references to dates and times shall be construed to be references to Indian dates and times;
- 5.7. reference to a document includes an amendment or supplement to, or replacement or novation of, that document; and
- 5.8. word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively under the Act and other applicable laws, rules, regulations and byelaws as the case may be, including any statutory modification or re-enactment thereof from time to time.

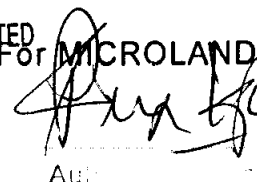
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6. SHARE CAPITAL

6.1. The share capital of the Transferor Company 1 as on 31 August 2021 is as follows:

Particulars	Amount in Rs
Authorized Share Capital	
10,000 Equity shares of Rs. 10 each	1,00,000
Total	1,00,000
Issued, subscribed and paid-up Share Capital	
10,000 Equity shares of Rs. 10 each	1,00,000
Total	1,00,000

Subsequent to 31 August 2021 there has been no change in the Authorized, Issued, Subscribed and Paid-up Capital of the Transferor Company 1.

6.2. The share capital of the Transferor Company 2 as on 31 August 2021 is as follows:

Particulars	Amount in Rs
Authorized Share Capital	
10,000 Equity shares of Rs. 10 each	1,00,000
Total	1,00,000
Issued, subscribed and paid-up Share Capital	
10,000 Equity shares of Rs. 10 each	1,00,000
Total	1,00,000

Subsequent to 31 August 2021 there has been no change in the Authorized, Issued, Subscribed and Paid-up Capital of the Transferor Company 2.

6.3. The share capital of the Transferee Company as on 31 August 2021 is as follows:

Particulars	Amount in Rs
Authorized Share Capital	
22,00,00,000 Equity shares of Rs. 1 each	22,00,00,000
5,30,00,000 0.01% non-cumulative convertible/ redeemable Series A Preference shares of Rs.10 each	53,00,00,000
Total	75,00,00,000
Issued, subscribed and paid-up Share Capital	
14,05,19,550 Equity shares of Re.1 each, fully paid up	14,05,19,550
Total	14,05,19,550

Subsequent to 31 August 2021 there has been no change in the, Authorized, Issued, Subscribed and Paid-up Capital of the Transferee Company.

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PART III**SECTION A – AMALGAMATION OF TRANSFEROR COMPANY 1 WITH TRANSFEREE COMPANY****7. TRANSFER AND VESTING OF UNDERTAKING**

- 7.1. At and after the Appointed Date¹ and upon the Scheme becoming effective, the entire business and the whole of the Undertaking 1 shall pursuant to the provisions of Sections 230 to 232 of the Act and the orders received from the NCLT ("Orders"), stand amalgamated with and vested in the Transferee Company, as a going concern, without any further act or instrument, together with all the properties, assets, rights, liabilities, benefits and interests therein by virtue of and in the manner provided in this Scheme.
- 7.2. At and after the Appointed Date 1 and upon the Scheme becoming effective:
- (a) In respect of such of the assets and properties of the Transferor Company 1 as are movable in nature or incorporeal property or are otherwise capable of transfer by delivery or possession, or by endorsement and/or delivery, the same shall stand so transferred by the Transferor Company 1 upon this Scheme becoming effective, and shall become the assets and property of the Transferee Company with effect from the Appointed Date 1 pursuant to the provisions of Sections 230 to 232 of the Act and all other provisions of applicable law, if any, without requiring any deed or instrument of conveyance for transfer of the same.
 - (b) In respect of such of the assets and properties belonging to the Transferor Company 1 (other than those referred to in sub clause (a) of Clause 7.2) including sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any governmental authority, quasi government, local or other authority or body or with any company or other person, the same shall stand transferred to and vested in the Transferee Company and/ or deemed to have been transferred to and vested in the Transferee Company, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party, upon the this Scheme becoming effective and with effect from the Appointed Date 1 pursuant to the provisions of Sections 230 to 232 of the Act and all other provisions of applicable law, if any. Further, the Transferor Company 1 shall, if so required by the Transferee Company, and the Transferee Company, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the NCLT having sanctioned this Scheme, the relevant debt, loan, advance or other asset, 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 Company 1 to recover or realize the same stands transferred to

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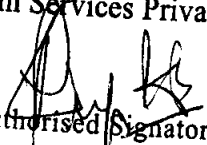
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the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.

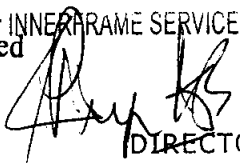
- (c) All assets and properties of the Transferor Company 1 as on the Appointed Date 1, whether or not included in the books of the Transferor Company 1 (as the case may be), and all assets and properties, which are acquired by Transferor Company 1 on or after the Appointed Date 1 but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions of Sections 230 to 232 of the Act and all other provisions of applicable law, if any, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company.

- (d) Without prejudice to the generality of the above Clause, upon the Scheme becoming effective and at and after Appointed Date 1, any brands, copyrights, trademarks, statutory licenses, permissions, approvals, quotas or consents to carry on the operations and business of the Transferor Company 1 shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company. The benefit of all brands, copyrights, trademarks, statutory and regulatory permissions, factory licenses, environmental approvals and consents, sales tax registrations, excise registrations, service tax registrations or other licenses and consents shall vest in and become available to the Transferee Company pursuant to this Scheme.

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7.3. The transfer and vesting shall be subject to the existing charges/ hypothecation/mortgages, if any, as may be subsisting and agreed to be created over or in respect of the said assets or any part thereof, provided however, any reference in any security documents or arrangements to which the Transferor Company 1 is a party wherein the assets of the Transferor Company 1 have been or are offered or agreed to be offered as security for any financial assistance or obligations (whether in respect of any financial assistance obtained by the Transferor Company 1 itself or of any other entity), shall continue to hold the same ranking and priority as it did before the transfer and vesting of such assets by the Transferor Company 1 to the Transferee Company, unless specifically agreed otherwise by the Transferor Company 1 and Transferee Company with its financial lenders, under its financing documents, which shall include the Microin Debenture Documents. Provided further that the securities, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Transferee Company shall continue to hold the same ranking and priority as it did before the transfer and vesting of assets by the Transferor Company 1 to the Transferee Company and this Scheme shall not operate to modify the ranking and priority of such securities, charges or mortgages, unless specifically agreed otherwise by the Transferor Company 1 and Transferee Company with its financial lenders, under its financing documents. Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company 1 which shall vest in the Transferee Company by virtue of the amalgamation of the Transferor Company 1 with the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security therefor after the amalgamation has become effective, unless specifically agreed otherwise by the Transferor Company 1 and Transferee Company with its financial lender, under its financing documents.

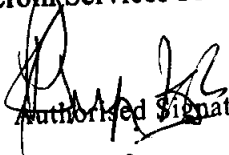
7.3.1. As set out in the Microin Debenture Documents, the Promoters and MIPL being shareholders of the Transferee Company, shall create a pledge over 100% of such part of the paid up equity share capital in the Transferee Company held by them in favor of the Microin Debenture Trustee (acting in its capacity as the Microin Debenture Trustee and as an agent of the Innerframe Debenture Trustee) within 5 days of Effective Date or such other mutually agreed timeline.

8. TRANSFER OF DEBTS AND LIABILITIES

8.1. With effect from the Appointed Date 1 and upon the Scheme becoming effective:

- (a) All debts (including the Microin Debentures and all obligations, duties and liabilities of the Transferor Company 1 in relation thereto as set out under the Microin Debenture Documents), liabilities, contingent liabilities, trade payables, loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to any liability in whatever form), duties and obligations of the Transferor Company 1 shall also, without any further act, instrument or deed be transferred


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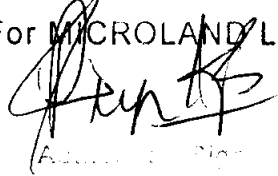
- to and vested in and assumed by and/or deemed to be transferred to and vested in and assumed by the Transferee Company pursuant to the provisions of Sections 230 to 232 of the Act, so as to become the liabilities of the Transferee Company and further that it shall not be necessary to intimate or obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen, in order to give effect to the provisions of this Clause.
- (b) Where any such debts, loans raised, liabilities, duties and obligations of the Transferor Company 1 as on the Appointed Date 1 have been discharged or satisfied by the Transferor Company 1 after the Appointed Date 1 and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company.
 - (c) All loans raised and utilized and all liabilities, duties and obligations incurred or undertaken by the Transferor Company 1 in the ordinary course of business after the Appointed Date 1 and prior to the Effective Date shall be deemed to have been raised, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon coming into effect of this Scheme and under the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.
 - (d) Without prejudice to above, upon the coming into effect of this Scheme, all debentures including the Microin Debentures and any other unlisted, redeemable, convertible, non-convertible debentures, bonds, notes or other debt securities and other instruments of like nature (whether convertible into equity shares or not), ("Debt Securities"), if any, of Transferor Company 1 shall, under the provisions of Sections 230 to 232 of the Act and all other provisions of applicable law, if any, without any further act, instrument or deed including without payment of stamp duty and/ or registration fees become the Debt Securities of the Transferee Company on the same terms and conditions and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in and be deemed to have been transferred to and vested in and shall be exercised by or against the Transferee Company to the same extent as if it were the issuer of the Debt Securities so transferred and vested.

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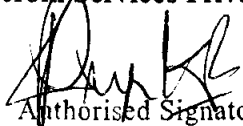
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- (e) The provisions of this Clause in so far as they relate to the transfer of liabilities to the Transferee Company shall operate notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security document, all of which instruments shall stand modified and/ or superseded by the foregoing provisions.
- (f) Loans, payables or other obligations, if any, due between or amongst the Transferor Company 1 and the Transferee Company shall stand cancelled / discharged and there shall be no liability in that behalf with effect from the Appointed Date 1.

9. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- 9.1. Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, including the contracts for tenancies and license arrangements, if any, of whatsoever nature, relating to which the Transferor Company 1 is a party and is subsisting or having effect on or after the Effective Date, shall be in full force and effect against or in favor of the Transferee Company, as the case may be without any change/ variation of any parties outlined therein, and may be enforced by or against the Transferee Company as fully and eventually as if, instead of the Transferor Company 1, the Transferee Company had been a party thereto. The Transferee Company shall enter into and/ or issue and/ or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Company 1 will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, the Transferee Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Transferor Company 1 and to implement or carry out all formalities required on the part of the Transferor Company 1 to give effect to the provisions of this Scheme.
- 9.2. In relation to the assets, properties and rights including rights arising from contracts, deeds, instruments and agreements, if any, belonging to the Transferor Company 1, which by reason of any special law or regulation require separate documents for transfer including documents for attornment or endorsement, as the case may be, the Transferor Company 1 shall execute such separate documents, as and when required by the Transferee Company.
- 9.3. All subsisting agreements/ arrangements of the Transferor Company 1 relating to the use of patents, patent applications, trade marks (including logos), brands, designs, copyrights, and / or technology and all other intellectual property and rights, subsisting or having effect on or after the Effective Date, shall accrue to and for the benefit of the Transferee Company.
- 9.4. From the Effective Date until such time that the names of the respective bank accounts, demat accounts of the Transferor Company 1 are replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the


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respective bank accounts and demat accounts of the Transferor Company 1, in their respective names, in so far as may be necessary.

- 9.5. All cheques and other negotiable instruments, payment orders received in the name of the Transferor Company 1 at and after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company. Similarly, the banker of the Transferee Company shall honour cheques issued by the Transferor Company 1 for payment at or after the Appointed Date 1 and presented at the Effective Date.

Provided that the cheques delivered by the Transferor Company 1 pursuant to provisions of the Microin Debenture Documents shall, on and from the Effective Date, be replaced with fresh cheques from the Transferee Company.

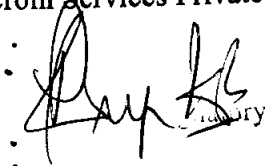
- 9.6. Notwithstanding anything contained herein, the Transferee Company and the Promoters and MIPL (in their capacity as shareholders of the Transferee Company) shall comply with the provisions of the Microin Debenture Documents and duly perform their respective obligations, duties and liabilities (including but not limited to creation and perfection of security), in the manner and within such timelines as set out therein.

10. TRANSFER OF EMPLOYEES

- 10.1. On the Scheme becoming Effective, all the executives, staff, workmen, and other employees, if any, in the service of the Transferor Company 1 as on the Effective Date shall become the executives, staff, workmen, and other employees of the Transferee Company, on the basis that:

- (a) All staff, workmen, employees engaged with the Transferor Company 1 shall become the staff, workmen and employees of the Transferee Company, and, subject to the provisions hereof, on terms and conditions not less favorable than those on which they are engaged by the Transferor Company 1, without any interruption or break of service as a result of the amalgamation of Transferor Company 1 into the Transferee company. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, if any, such past services with the Transferor Company 1 shall also be taken into account.
- (b) The services of such employees, staff, workmen shall not be treated as having been broken or interrupted for the purpose of Provident Fund or Gratuity or Superannuation or any other incentive or privilege or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Transferor Company 1.
- (c) It is provided that as far as the Provident Fund, Gratuity Fund and Pension and/ or Superannuation Fund or any other special fund created or existing for the benefit of the staff, workmen and other employees of the Transferor Company 1

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("Funds or Trusts") are concerned, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company 1 in respect of the employees transferred with the Undertaking 1 for all purposes whatsoever relating to the administration or operation of such Funds or Trusts or in relation to the obligation to make contribution to the said Funds or Trusts in accordance with the provisions of such Funds or Trusts as provided in the respective deeds or other documents. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company 1 in relation to such Funds or Trusts shall become those of the Transferee Company. The trustees including the Board of Directors of the Transferor Company 1 and the Transferee Company shall be entitled to adopt such course in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees of the Transferor Company 1.

- (d) The Board of Directors of the Transferor Company 1 and the Transferee Company shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of Clause 10.1 of this Scheme.

11. LEGAL PROCEEDINGS

- 11.1. All legal proceedings of whatsoever nature by or against the Transferor Company 1 pending and/or arising at the Appointed Date 1 or its properties, assets, debts, liabilities, duties and obligations, including tax assessments and appeals shall be continued and/or enforced until the Effective Date as desired by the Transferee Company and as and from the Effective Date shall be continued and enforced by or against Transferee Company in the manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company 1.
- 11.2. If proceedings are taken against the Transferor Company 1, in respect of matters referred to above, it shall defend the same in accordance with the advice of, and at the cost of, the Transferee Company, as the case may be from Appointed Date 1 till Effective Date.
- 11.3. On and from the Effective Date, the Transferee Company shall and may initiate any legal proceedings in relation to the Transferor Company 1 in the same manner and to the same extent as would or might have been initiated by the Transferor Company 1.

12. TAX

- 12.1. Part III - Section A of this Scheme dealing with amalgamation of the Transferor Company 1 with the Transferee Company has been drawn up to comply with the conditions relating to "Amalgamation" as specified under the tax laws, specifically Section 2(1B) of the Income-tax Act, 1961 and other relevant provisions of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be

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- inconsistent with the provisions of the said section at a later date including resulting from an amendment of law with retrospective effect or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income-tax Act, 1961 and other relevant provisions of the Income-tax Act, 1961. Such modification will however not affect the other parts of the Scheme.
- 12.2. Upon this Scheme becoming effective, the Transferee Company and/ or Transferor Company 1 are expressly permitted to revise, if it becomes necessary, its income tax returns, sales tax returns, excise and CENVAT returns, service tax returns, goods and service tax returns, other tax returns (as may be applicable) and to restore input credit adjusted earlier or claim refunds/ credits pursuant to the provisions of this Scheme.
- 12.3. All taxes including Income tax, tax on book profits, sales tax, excise duty, custom duty, service tax, Value Added Tax, Central Goods and Service Tax, Integrated Goods and Service Tax and State Goods and Service Tax (paid at respective states) etc. paid or payable by the Transferor Company 1 in respect of the operations and / or the profits of the Undertaking 1 before the Appointed Date 1, shall be on account of the Transferor Company 1 and, in so far as it relates to the tax payment whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company 1 in respect of the profits or activities or operation of the business after the Appointed Date 1, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 12.4. Upon this Scheme becoming effective, all taxes, cess, duties payable by or on behalf of the Transferor Company 1 from the Appointed Date 1 onwards including all or any refunds and claims, including the right of carry forward of accumulated losses under the applicable provisions Income tax Act, 1961 or unabsorbed depreciation, if any and right to claim Minimum Alternate Tax credit in accordance with the provisions of Section 115JAA of the Income Tax Act, 1961, if any, right for any tax allowances and deductions, of the Transferor Company 1, shall, for all purposes, be treated as the tax, cess, duty, liabilities or refunds, claims, allowances and deductions, accumulated losses or unabsorbed depreciation and tax credit of the Transferee Company.
- 12.5. It is clarified that upon the Scheme becoming effective any benefits accruing to the Transferor Company 1 under the provisions of the Income tax Act, 1961 and, or any other benefits under the said Act or under and in accordance with any law or act, whether in India, or anywhere outside India shall be vested in the Transferee Company with effect from the Appointed Date 1.

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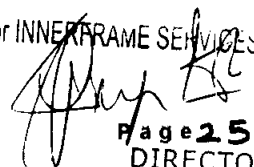
- 12.6 All the expenses incurred by the Transferor Company 1 and the Transferee Company in relation to the Amalgamation as per this Scheme, including stamp duty expenses if any, shall be allowed as deduction to the Transferee Company in accordance with Section 35DD of the Income tax Act, 1961 over a period of 5 years with effect from the Appointed Date 1.
- 12.7 All tax assessment proceedings / appeals of whatsoever nature by or against the Transferor Company 1 pending and / or arising at the Appointed Date 1 and relating to the Transferor Company 1 shall be continued and / or enforced until the Effective Date as desired by the Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company 1.
- 12.8 Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company 1 with the Transferee Company or anything contained in the Scheme.
- 12.9 Any tax liabilities under the Income Tax Act, 1961, Wealth-tax Act, 1957, Customs Act 1962, service tax laws, applicable state value added tax laws, Central Goods and Services Taxes Act, Integrated Goods and Services Tax Act and applicable State Goods and Services Tax Act or other applicable laws / regulations dealing with taxes, duties, levies, etc. allocable or related to the Transferor Company 1 to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date 1 shall be transferred to the Transferee Company. Any surplus in the provision for taxation / duties / levies account including advance tax and tax deducted at source as on the date immediately preceding the Appointed Date 1 will also be transferred to the account of the Transferee Company.
- 12.10 Any refund under the Income Tax Act, 1961, Wealth-tax Act, 1957, Customs Act 1962, service tax laws, applicable state value added tax laws or other applicable laws / regulations dealing with taxes / duties / levies allocable or related to the Transferor Company 1 and due to Transferor Company 1 consequent to the assessment made on Transferor Company 1 for which credit may or may not have been taken in the accounts as on the date immediately preceding the Appointed Date 1 shall also belong to and be received by the Transferee Company.

13. CONDUCT OF BUSINESS OF THE TRANSFEROR COMPANY 1 UNTIL THE EFFECTIVE DATE

13.1 With effect from the Appointed Date 1 and up to the Effective Date:

- (a) The Transferor Company 1 shall carry on and be deemed to have carried on the business and activities in relation to the Undertaking and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the entire

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business and Undertaking 1 for and on account of and in trust for the Transferee Company.

- (b) All the profits or income accruing or arising to the Transferor Company 1 or expenditure or losses arising or incurred by the Transferor Company 1 shall for all purposes be treated and deemed to be accrued as the profits or income or expenditure or losses (as the case may be) of the Transferee Company;
- (c) The Transferor Company 1 shall carry on the business and activities of whole Undertaking 1 with reasonable diligence and business prudence.
- (d) The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the central government and all other agencies, departments and authorities concerned, as are necessary under any law for such consents, approvals and sanctions which Transferee Company may require to carry on the business of the Transferor Company 1.

14. SAVING OF CONCLUDED TRANSACTIONS

14.1 The transfer and vesting of the Undertaking 1 of the Transferor Company 1 into the Transferee Company and the continuance of proceedings by or against the Transferee Company under Clause **Error! Reference source not found.** above shall not affect any transaction or proceedings relating to the Transferor Company 1 already concluded by the Transferor Company 1 on or after the Appointed Date 1 to the end and intent that the Transferee Company accepts and adopts all acts, deeds, matters and things done and/ or executed by the Transferor Company 1 in regard thereto as having been done or executed on behalf of the Transferee Company.

15. REDUCTION OF SHARE CAPITAL

15.1 Upon the scheme being effective, all the equity shares held by the Transferor Company 1 in the Transferee Company shall stand cancelled or extinguished without any further act or deed without any payment or consideration and no shares of the Transferee Company shall be issued in lieu thereof to that extent. Accordingly, the share capital of the Transferee Company shall stand cancelled or extinguished to the extent of face value of shares held by the Transferor Company 1 in the Transferee Company.

15.2 The reduction in the share capital of the Transferee Company as contemplated in the above clause shall be effected as an integral part of this scheme in accordance with the provisions of section 230 to section 232 of the Act. The order of the NCLT sanctioning this scheme shall also include approval and confirmation of the reduction of share capital of the Transferee Company.

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16. CONSIDERATION

16.1. Further, the Transferee Company, upon this Scheme becoming effective and in consideration of the transfer and vesting of whole of the Undertaking 1 of the Transferor Company 1 with and into the Transferee Company, in terms of this Scheme, shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders (or their respective legal heirs, executors or administrators or as the case may be) of the Transferor Company 1, whose names are registered in the register of members as on the Record Date issue equity shares in the ratio ('Swap Ratio') of

3,49,070 fully paid equity shares of Rs. 1/- (Rupee One) each of Transferee Company for every 100 equity shares of Rs. 10/- (Rupees Ten) each held in Transferor Company 1, which shall result in issuance of 3,49,07,000 equity shares of Rs. 1/- (Rupee One) each by the Transferee Company to the shareholders of Transferor Company 1."

In applying **the swap ratio**, no fractional shares shall be issued by the Transferee Company and all fractions shall be rounded off to the nearest whole number.

17. ACCOUNTING TREATMENT

17.1. Upon the scheme becoming effective and from the Appointed Date 1 the combination shall be accounted for in the books of Transferee Company according to the applicable accounting standards i.e. Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with paragraph 3 of the Company (Indian Accounting Standards Rules) 2015 (as amended) and other generally accepted accounting principles, as applicable.

17.2. Upon the scheme becoming effective, the Transferee Company shall account for the amalgamation of Transferor Company 1 for in accordance with "Pooling of Interest Method of Accounting" as laid down by Indian Accounting Standards 103 (Business Combination) and/or the applicable provisions of the Companies Act, 2013.

17.3. Upon the Scheme becoming effective, the Transferee Company shall account for the amalgamation in its books as under.

(a) The Transferee Company shall record all the assets and liabilities of the Transferor Company 1 transferred to and vested in Transferee Company at their respective carrying amount and in same form.

(b) The identity of the reserves shall be preserved, and the Transferee Company shall record the reserves of the Transferor Company 1 in the same form and at the carrying amount as appearing in the financial statement of the Transferor Company 1.

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- (c) The surplus/deficit, if any arising as a result of the amalgamation shall be transferred to the 'Capital Reserve' in the financial statements of the Transferee Company and shall be presented separately from other capital reserves with the disclosure of its nature and purpose in the notes. However, where the consideration is in excess of the carrying value of the net assets (including the reserves), the difference shall be adjusted to either capital reserve(s) or revenue reserve(s). If the Transferee Company has inadequate reserves, the debit shall be recorded under the Amalgamation Adjustment Deficit Account.
- (d) The investment in the equity shares of the Transferee Company held by the Transferor Company 1 shall not be recognized by the Transferee Company and shall be cancelled against the share capital of the Transferee Company.
- (e) The Transferee Company shall recognize the issuance of shares to be issued on amalgamation at the face value and accordingly credit its share capital account.
- (f) No adjustment shall be made to reflect fair value or recognize any new assets or liabilities. The only adjustment shall be made are to harmonize accounting policies. In case of difference in accounting policy between the Transferor Company 1 and the Transferee Company, the accounting policy followed by the Transferee Company shall prevail and the difference till the Appointed Date 1 shall be quantified and adjusted in the retained earnings to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy. The difference, if any in the accounting policies between the Transferee Company and the Transferor Company 1 shall be ascertained and quantified and the adjustment to the retained earnings, as applicable, in accordance with the requirements of Ind AS 8 Accounting policies, changes in Accounting estimates and errors.
- (g) As stated in Appendix C of Ind AS 103 for Business combinations of entities under common control, the financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.
- (h) The Scheme set out herein in its present form or with any modification(s) of amendment(s) approved, imposed or directed by the Tribunals or any other Governmental Authority shall be effective from the Appointed Date 1 but shall be operative from the Effective Date. However, if the Ind AS 103 require the amalgamation to be accounted with effect from a different date, then it would be accounted as per the requirements of Ind AS 103, for accounting purpose, to be compliant with the Indian accounting standards. For regulatory and tax purposes,

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amalgamation would have been deemed to be effective from the Appointed Date 1 of this Scheme.

- (i) Without prejudice to the above provisions, upon the Scheme coming into effect and with effect from the Appointed Date 1, all inter-party transactions between the Transferor Company 1 and the Transferee Company shall be considered as intra-party transactions for all purposes. Consequently, upon the Scheme coming into effect and from the Appointed Date 1, to the extent there are inter-corporate loans, deposits, obligations, balances or other outstanding as between the Transferor Company 1 inter-se and/or the Transferee Company, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of the Transferee Company for the reduction of such assets or liabilities as the case may be.

18. DATE OF TAKING EFFECT AND OPERATIVE DATE

18.1. The Scheme shall be Effective at and from the Appointed Date 1 for amalgamation of the Transferor Company 1 into the Transferee Company but shall be operative from the Effective Date.

19. DISSOLUTION / WINDING-UP OF TRANSFEROR COMPANY 1

19.1. Upon this Scheme becoming effective, the Transferor Company 1 shall be dissolved without winding-up pursuant to the provisions of Section 232 of the Act. Any obligations/ steps which need to be undertaken by the Transferor Company 1 pursuant to the sanction of this Scheme shall be fulfilled by the Transferee Company.

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PART III

SECTION B – AMALGAMATION OF TRANSFEROR COMPANY 2 WITH TRANSFEREE COMPANY

20. TRANSFER AND VESTING OF UNDERTAKING


20.1. At and after the Appointed Date 2 and upon the Scheme becoming effective, the entire business and the whole of the Undertaking 2 shall pursuant to the provisions of Sections 230 to 232 of the Act and the orders received from the NCLT ("Orders"), stand amalgamated with and vested in the Transferee Company, as a going concern, without any further act or instrument, together with all the properties, assets, rights, liabilities, benefits and interests therein by virtue of and in the manner provided in this Scheme.

20.2. At and after the Appointed Date 2 and upon the Scheme becoming effective:

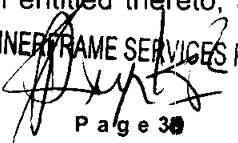
(a) In respect of such of the assets and properties of the Transferor Company 2 as are movable in nature or incorporeal property or are otherwise capable of transfer by delivery or possession, or by endorsement and/or delivery, the same shall stand so transferred by the Transferor Company 2 upon this Scheme becoming effective, and shall become the assets and property of the Transferee Company with effect from the Appointed Date 2 pursuant to the provisions of Sections 230 to 232 of the Act and all other provisions of applicable law, if any, without requiring any deed or instrument of conveyance for transfer of the same.

(b) In respect of such of the assets and properties belonging to the Transferor Company 2 (other than those referred to in sub clause (a) of Clause 20.2) including sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any governmental authority, quasi government, local or other authority or body or with any company or other person, the same shall stand transferred to and vested in the Transferee Company and/ or deemed to have been transferred to and vested in the Transferee Company, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party, upon the this Scheme becoming effective and with effect from the Appointed Date 2 pursuant to the provisions of Sections 230 to 232 of the Act and all other provisions of applicable law, if any. Further, the Transferor Company 2 shall if so required by the Transferee Company, and the Transferee Company, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the NCLT having sanctioned this Scheme, the relevant debt, loan, advance or other asset, 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

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- the Transferor Company 2 to recover or realize the same stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- (c) All assets and properties of the Transferor Company 2 as on the Appointed Date 2, whether or not included in the books of the Transferor Company 2 (as the case may be), and all assets and properties, which are acquired by Transferor Company 2 on or after the Appointed Date 2 but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions of Sections 230 to 232 of the Act and all other provisions of applicable law, if any, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company.
- (d) Without prejudice to the generality of the above Clause, upon the Scheme becoming effective and at and after Appointed Date 2, any brands, copyrights, trademarks, statutory licenses, permissions, approvals, quotas or consents to carry on the operations and business of the Transferor Company 2 shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company. The benefit of all brands, copyrights, trademarks, statutory and regulatory permissions, factory licenses, environmental approvals and consents, sales tax registrations, excise registrations, service tax registrations or other licenses and consents shall vest in and become available to the Transferee Company pursuant to this Scheme.

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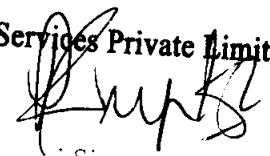
20.3. The transfer and vesting shall be subject to the existing charges/ hypothecation/mortgages, if any, as may be subsisting and agreed to be created over or in respect of the said assets or any part thereof, provided however, any reference in any security documents or arrangements to which the Transferor Company 2 is a party wherein the assets of the Transferor Company 2 have been or are offered or agreed to be offered as security for any financial assistance or obligations (whether in respect of any financial assistance obtained by the Transferor Company 2 itself or of any other entity), shall continue to hold the same ranking and priority as it did before the transfer and vesting of such assets by the Transferor Company 2 to the Transferee Company, unless specifically agreed otherwise by the Transferor Company 2 and Transferee Company with its financial lenders, under its financing documents, which shall include the Innerframe Debenture Documents. Provided further that the securities, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Transferee Company shall continue to hold the same ranking and priority as it did before the transfer and vesting of assets by the Transferor Company 2 to the Transferee Company and this Scheme shall not operate to modify the ranking and priority of such securities, charges or mortgages, unless specifically agreed otherwise by the Transferor Company 2 and Transferee Company with its financial lenders, under its financing documents. Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company 2 which shall vest in the Transferee Company by virtue of the amalgamation of the Transferor Company 2 with the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security therefor after the amalgamation has become effective, unless specifically agreed otherwise by the Transferor Company 2 and Transferee Company with its financial lender, under its financing documents.

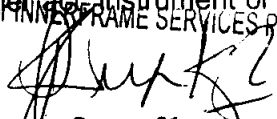
20.3.1. As set out in the Innerframe Debenture Documents, the Promoters and MIPL being shareholders of the Transferee Company, shall create a pledge over 100% of such part of the paid up equity share capital in the Transferee Company held by them in favor of the Microin Debenture Trustee (acting in its capacity as the Microin Debenture Trustee and as an agent of the Innerframe Debenture Trustee) within 5 days of Effective Date or such other mutually agreed timeline.


21. TRANSFER OF DEBTS AND LIABILITIES

21.1. With effect from the Appointed Date 2 and upon the Scheme becoming effective:

(a) All debts (including the Innerframe Debentures and all obligations, duties and liabilities of the Transferor Company 2 in relation thereto as set out under the Innerframe Debenture Documents), liabilities, contingent liabilities, trade payables, loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to any liability in whatever form), duties and obligations of the Transferor Company 2 shall also, without any further act, instrument or deed be transferred to and vested

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in and assumed by and/or deemed to be transferred to and vested in and assumed by the Transferee Company pursuant to the provisions of Sections 230 to 232 of the Act, so as to become the liabilities of the Transferee Company and further that it shall not be necessary to intimate or obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen, in order to give effect to the provisions of this Clause.

(b) Where any such debts, loans raised, liabilities, duties and obligations of the Transferor Company 2 as on the Appointed Date 2 have been discharged or satisfied by the Transferor Company 2 after the Appointed Date 2 and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company.

(c) All loans raised and utilized and all liabilities, duties and obligations incurred or undertaken by the Transferor Company 2 in the ordinary course of business after the Appointed Date 2 and prior to the Effective Date shall be deemed to have been raised, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon coming into effect of this Scheme and under the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.

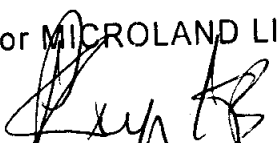
(d) Without prejudice to above, upon the coming into effect of this Scheme, all debentures including the Innerframe Debentures and any other unlisted, redeemable, convertible, non-convertible debentures, bonds, notes or other debt securities and other instruments of like nature (whether convertible into equity shares or not), ("Debt Securities"), if any, of the Transferor Company 2 shall, under the provisions of Sections 230 to 232 of the Act and all other provisions of applicable law, if any, without any further act, instrument or deed including without payment of stamp duty and/ or registration fees become the Debt Securities of the Transferee Company on the same terms and conditions and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in and be deemed to have been transferred to and vested in and shall be exercised by or against the Transferee Company to the same extent as if it were the issuer of the Debt Securities so transferred and vested.

(e) The provisions of this Clause in so far as they relate to the transfer of liabilities to the Transferee Company shall operate notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security document, all of which instruments shall stand modified and/ or superseded by the foregoing provisions.

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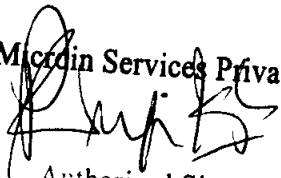
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- (f) Loans, payables or other obligations, if any, due between or amongst the Transferor Company 2 and the Transferee Company shall stand cancelled / discharged and there shall be no liability in that behalf with effect from the Appointed Date 2.

22. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- 22.1. Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, including the contracts for tenancies and license arrangements, if any, of whatsoever nature, relating to which the Transferor Company 2 is a party and is subsisting or having effect on or after the Effective Date, shall be in full force and effect against or in favor of the Transferee Company, as the case may be without any change/ variation of any parties outlined therein, and may be enforced by or against the Transferee Company as fully and eventually as if, instead of the Transferor Company 2, the Transferee Company had been a party thereto. The Transferee Company shall enter into and/ or issue and/ or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Company 2 will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, the Transferee Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Transferor Company 2 and to implement or carry out all formalities required on the part of the Transferor Company 2 to give effect to the provisions of this Scheme.
- 22.2. In relation to the assets, properties and rights including rights arising from contracts, deeds, instruments and agreements, if any, belonging to the Transferor Company 2, which by reason of any special law or regulation require separate documents for transfer including documents for attornment or endorsement, as the case may be, the Transferor Company 2 shall execute such separate documents, as and when required by the Transferee Company.
- 22.3. All subsisting agreements/ arrangements of the Transferor Company 2 relating to the use of patents, patent applications, trade marks (including logos), brands, designs, copyrights, and / or technology and all other intellectual property and rights, subsisting or having effect on or after the Effective Date, shall accrue to and for the benefit of the Transferee Company.
- 22.4. From the Effective Date until such time that the names of the respective bank accounts, demat accounts of the Transferor Company 2 are replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the respective bank accounts and demat accounts of the Transferor Company 2, in their respective names, in so far as may be necessary.
- 22.5. All cheques and other negotiable instruments, payment orders received in the name of the Transferor Company 2 at and after the Effective Date shall be accepted by the

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bankers of the Transferee Company and credited to the account of the Transferee Company. Similarly, the banker of the Transferee Company shall honour cheques issued by the Transferor Company 2 for payment at or after the Appointed Date 2 and presented at the Effective Date.


Provided that the cheques delivered by the Transferor Company 2 pursuant to provisions of the Innerframe Debenture Documents shall, on and from the Effective Date, be replaced with fresh cheques from the Transferee Company.

22.6. Notwithstanding anything contained herein, the Transferee Company and the Promoters and MIPL (in their capacity as shareholders of the Transferee Company) shall comply with the provisions of the Innerframe Debenture Documents and duly perform their respective obligations, duties and liabilities (including but not limited to creation and perfection of security), in the manner and within such timelines as set out therein.

23. TRANSFER OF EMPLOYEES


23.1. On the Scheme becoming Effective, all the executives, staff, workmen, and other employees, if any, in the service of the Transferor Company 2 as on the Effective Date shall become the executives, staff, workmen, and other employees of the Transferee Company, on the basis that:

- (a) All staff, workmen, employees engaged with the Transferor Company 2 shall become the staff, workmen and employees of the Transferee Company, and, subject to the provisions hereof, on terms and conditions not less favorable than those on which they are engaged by the Transferor Company 2, without any interruption or break of service as a result of the amalgamation of Transferor Company 2 into the Transferee company. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, if any, such past services with the Transferor Company 2 shall also be taken into account.
- (b) The services of such employees, staff, workmen shall not be treated as having been broken or interrupted for the purpose of Provident Fund or Gratuity or Superannuation or any other incentive or privilege or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Transferor Company 2.
- (c) It is provided that as far as the Provident Fund, Gratuity Fund and Pension and/ or Superannuation Fund or any other special fund created or existing for the benefit of the staff, workmen and other employees of the Transferor Company 2 ("Funds or Trusts") are concerned, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company 2 in respect of the employees transferred with the Undertaking 2 for all purposes whatsoever relating to the administration or operation of such Funds or Trusts or

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in relation to the obligation to make contribution to the said Funds or Trusts in accordance with the provisions of such Funds or Trusts as provided in the respective deeds or other documents. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company 2 in relation to such Funds or Trusts shall become those of the Transferee Company. The trustees including the Board of Directors of the Transferor Company 2 and the Transferee Company shall be entitled to adopt such course in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees of the Transferor Company 2.

(d) The Board of Directors of the Transferor Company 2 and the Transferee Company shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of Clause 23.1 of this Scheme.

24. LEGAL PROCEEDINGS


24.1. All legal proceedings of whatsoever nature by or against the Transferor Company 2 pending and/or arising at the Appointed Date 2 or its properties, assets, debts, liabilities, duties and obligations, including tax assessments and appeals shall be continued and/or enforced until the Effective Date as desired by the Transferee Company and as and from the Effective Date shall be continued and enforced by or against Transferee Company in the manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company 2.

24.2. If proceedings are taken against the Transferor Company 2, in respect of matters referred to above, it shall defend the same in accordance with the advice of, and at the cost of, the Transferee Company, as the case may be from Appointed Date 2 till Effective Date.

24.3. On and from the Effective Date, the Transferee Company shall and may initiate any legal proceedings in relation to the Transferor Company 2 in the same manner and to the same extent as would or might have been initiated by the Transferor Company 2.

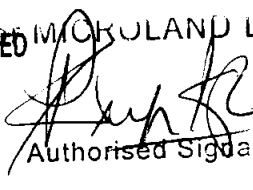
25. TAX

25.1. Part III - Section B of this Scheme dealing with amalgamation of the Transferor Company 2 with the Transferee Company has been drawn up to comply with the conditions relating to "Amalgamation" as specified under the tax laws, specifically Section 2(1B) of the Income-tax Act, 1961 and other relevant provisions of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at a later date including resulting from an amendment of law with retrospective effect or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income-tax

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Act, 1961 and other relevant provisions of the Income-tax Act, 1961. Such modification will however not affect the other parts of the Scheme.

25.2. Upon this Scheme becoming effective, the Transferee Company and/ or Transferor Company 2 are expressly permitted to revise, if it becomes necessary, its income tax returns, sales tax returns, excise and CENVAT returns, service tax returns, goods and service tax returns, other tax returns (as may be applicable) and to restore input credit adjusted earlier or claim refunds/ credits pursuant to the provisions of this Scheme.

25.3. All taxes including Income tax, tax on book profits, sales tax, excise duty, custom duty, service tax, Value Added Tax, Central Goods and Service Tax, Integrated Goods and Service Tax and State Goods and Service Tax (paid at respective states) etc. paid or payable by the Transferor Company 2 in respect of the operations and / or the profits of the Undertaking 2 before the Appointed Date 2, shall be on account of the Transferor Company 2 and, in so far as it relates to the tax payment whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company 2 in respect of the profits or activities or operation of the business after the Appointed Date 2, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.

25.4. Upon this Scheme becoming effective, all taxes, cess, duties payable by or on behalf of the Transferor Company 2 from the Appointed Date 2 onwards including all or any refunds and claims, including the right of carry forward of accumulated losses under the applicable provisions Income tax Act, 1961 or unabsorbed depreciation, if any and right to claim Minimum Alternate Tax credit in accordance with the provisions of Section 115JAA of the Income Tax Act, 1961, if any, right for any tax allowances and deductions, of the Transferor Company 2, shall, for all purposes, be treated as the tax, cess, duty, liabilities or refunds, claims, allowances and deductions, accumulated losses or unabsorbed depreciation and tax credit of the Transferee Company.

25.5. It is clarified that upon the Scheme becoming effective any benefits accruing to the Transferor Company 2 under the provisions of the Income tax Act, 1961 and, or any other benefits under the said Act or under and in accordance with any law or act, whether in India, or anywhere outside India shall be vested in the Transferee Company with effect from the Appointed Date 2.

25.6. All the expenses incurred by the Transferor Company 2 and the Transferee Company in relation to the Amalgamation as per this Scheme, including stamp duty expenses if any, shall be allowed as deduction to the Transferee Company in accordance with Section 35DD of the Income tax Act, 1961 over a period of 5 years with effect from the Appointed Date 2.

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25.7. All tax assessment proceedings / appeals of whatsoever nature by or against the Transferor Company 2 pending and / or arising at the Appointed Date 2 and relating to the Transferor Company 2 shall be continued and / or enforced until the Effective Date as desired by the Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company 2.

25.8. Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company 2 with the Transferee Company or anything contained in the Scheme.


25.9. Any tax liabilities under the Income Tax Act, 1961, Wealth-tax Act, 1957, Customs Act 1962, service tax laws, applicable state value added tax laws, Central Goods and Services Taxes Act, Integrated Goods and Services Tax Act and applicable State Goods and Services Tax Act or other applicable laws / regulations dealing with taxes, duties, levies, etc. allocable or related to the Transferor Company 2 to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date 2 shall be transferred to the Transferee Company. Any surplus in the provision for taxation / duties / levies account including advance tax and tax deducted at source as on the date immediately preceding the Appointed Date 2 will also be transferred to the account of the Transferee Company.

25.10. Any refund under the Income Tax Act, 1961, Wealth-tax Act, 1957, Customs Act 1962, service tax laws, applicable state value added tax laws or other applicable laws / regulations dealing with taxes / duties / levies allocable or related to the Transferor Company 2 and due to Transferor Company 2 consequent to the assessment made on Transferor Company 2 for which credit may or may not have been taken in the accounts as on the date immediately preceding the Appointed Date 2 shall also belong to and be received by the Transferee Company.

26. CONDUCT OF BUSINESS OF THE TRANSFEROR COMPANY 2 UNTIL THE EFFECTIVE DATE

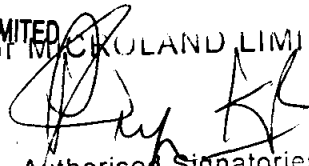
26.1. With effect from the Appointed Date 2 and up to the Effective Date:

- (a) The Transferor Company 2 shall carry on and be deemed to have carried on the business and activities in relation to the Undertaking and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the entire business and Undertaking 2 for and on account of and in trust for the Transferee Company.

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- (b) All the profits or income accruing or arising to the Transferor Company 2 or expenditure or losses arising or incurred by the Transferor Company 2 shall for all purposes be treated and deemed to be accrued as the profits or income or expenditure or losses (as the case may be) of the Transferee Company;
- (c) The Transferor Company 2 shall carry on the business and activities of whole Undertaking 2 with reasonable diligence and business prudence.
- (d) The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the central government and all other agencies, departments and authorities concerned, as are necessary under any law for such consents, approvals and sanctions which Transferee Company may require to carry on the business of the Transferor Company 2.


27. SAVING OF CONCLUDED TRANSACTIONS

- 27.1. The transfer and vesting of the Undertaking 2 of the Transferor Company 2 into the Transferee Company and the continuance of proceedings by or against the Transferee Company under Clause 24 above shall not affect any transaction or proceedings relating to the Transferor Company 2 already concluded by the Transferor Company 2 on or after the Appointed Date 2 to the end and intent that the Transferee Company accepts and adopts all acts, deeds, matters and things done and/ or executed by the Transferor Company 2 in regard thereto as having been done or executed on behalf of the Transferee Company.

28. REDUCTION OF SHARE CAPITAL

- 28.1. Upon the scheme being effective, all the equity shares held by the Transferor Company 2 in the Transferee Company shall stand cancelled or extinguished without any further act or deed without any payment or consideration and no shares of the Transferee Company shall be issued in lieu thereof to that extent. Accordingly, the share capital of the Transferee Company shall stand cancelled or extinguished to the extent of face value of shares held by the Transferor Company 2 in the Transferee Company.
- 28.2. The reduction in the share capital of the Transferee Company as contemplated in the above clause shall be effected as an integral part of this scheme in accordance with the provisions of section 230 to section 232 of the Act. The order of the NCLT sanctioning this scheme shall also include approval and confirmation of the reduction of share capital of the Transferee Company.

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29. CONSIDERATION

- 29.1. Further, the Transferee Company, upon this Scheme becoming effective and in consideration of the transfer and vesting of whole of the Undertaking 2 of the Transferor Company 2 with and into the Transferee Company, in terms of this Scheme, shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders (or their respective legal heirs, executors or administrators or as the case may be) of the Transferor Company 2, whose names are registered in the register of members as on the Record Date issue equity shares in the ratio ('Swap Ratio') of

"1,37,737 fully paid equity shares of Rs 1/- (Rupee One) each of Transferee Company for every 100 equity shares of Rs 10/- (Rupees Ten) each held in Transferor Company 2, which shall result in issuance of 1,37,73,700 equity shares of Rs. 1/- (Rupee One) each by the Transferee Company to the shareholders of Transferor Company 2."

In applying **the swap ratio**, no fractional shares shall be issued by the Transferee Company and all fractions shall be rounded off to the nearest whole number.

30. ACCOUNTING TREATMENT

- 30.1. Upon the scheme becoming effective and from the Appointed Date 2 the combination shall be accounted for in the books of Transferee Company according to the applicable accounting standards i.e. Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with paragraph 3 of the Company (Indian Accounting Standards Rules) 2015 (as amended) and other generally accepted accounting principles, as applicable.
- 30.2. Upon the scheme becoming effective, the Transferee Company shall account for the amalgamation of Transferor Company 2 for in accordance with "Pooling of Interest Method of Accounting" as laid down by Indian Accounting Standards 103 (Business Combination) and/or the applicable provisions of the Companies Act, 2013.
- 30.3. Upon the Scheme becoming effective, the Transferee Company shall account for the amalgamation in its books as under.
- (a) The Transferee Company shall record all the assets and liabilities of the Transferor Company 2 transferred to and vested in Transferee Company at their respective carrying amount and in same form.
- (b) The identity of the reserves shall be preserved, and the Transferee Company shall record the reserves of the Transferor Company 2 in the same form and at the carrying amount as appearing in the financial statement of the Transferor Company 2.

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- (c) The surplus/deficit, if any arising as a result of the amalgamation shall be transferred to the 'Capital Reserve' in the financial statements of the Transferee Company and shall be presented separately from other capital reserves with the disclosure of its nature and purpose in the notes. However, where the consideration is in excess of the carrying value of the net assets (including the reserves), the difference shall be adjusted to either capital reserve(s) or revenue reserve(s). If the Transferee Company has inadequate reserves, the debit shall be recorded under the Amalgamation Adjustment Deficit Account.
- (d) The investment in the equity shares of the Transferee Company held by the Transferor Company 2 shall not be recognized by the Transferee Company and shall be cancelled against the share capital of the Transferee Company.
- (e) The Transferee Company shall recognize the issuance of shares to be issued on amalgamation at the face value and accordingly credit its share capital account.
- (f) No adjustment shall be made to reflect fair value or recognize any new assets or liabilities. The only adjustment shall be made are to harmonize accounting policies. In case of difference in accounting policy between the Transferor Company 2 and the Transferee Company, the accounting policy followed by the Transferee Company shall prevail and the difference till the Appointed Date 2 shall be quantified and adjusted in the retained earnings to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy. The difference, if any in the accounting policies between the Transferee Company and the Transferor Company 2 shall be ascertained and quantified and the adjustment to the retained earnings, as applicable, in accordance with the requirements of Ind AS 8 Accounting policies, changes in Accounting estimates and errors.
- (g) As stated in Appendix C of Ind AS 103 for Business combinations of entities under common control, the financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.
- (h) The Scheme set out herein in its present form or with any modification(s) of amendment(s) approved, imposed or directed by the Tribunals or any other Governmental Authority shall be effective from the Appointed Date 2 but shall be operative from the Effective Date. However, if the Ind AS 103 require the amalgamation to be accounted with effect from a different date, then it would be accounted as per the requirements of Ind AS 103, for accounting purpose, to be compliant with the Indian accounting standards. For regulatory and tax purposes, amalgamation would have been deemed to be effective from the Appointed Date 2 of this Scheme.

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- (i) Without prejudice to the above provisions, upon the Scheme coming into effect and with effect from the Appointed Date 2, all inter-party transactions between the Transferor Company 2 and the Transferee Company shall be considered as intra-party transactions for all purposes. Consequently, upon the Scheme coming into effect and from the Appointed Date 2, to the extent there are inter-corporate loans, deposits, obligations, balances or other outstanding as between the Transferor Company 2 inter-se and/or the Transferee Company, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of the Transferee Company for the reduction of such assets or liabilities as the case may be.

31. DATE OF TAKING EFFECT AND OPERATIVE DATE

- 31.1. The Scheme shall be Effective at and from the Appointed Date 2 for amalgamation of the Transferor Company 2 into the Transferee Company but shall be operative from the Effective Date.

32. DISSOLUTION / WINDING-UP OF TRANSFEROR COMPANY 2

- 32.1. Upon this Scheme becoming effective, the Transferor Company 2 shall be dissolved without winding-up pursuant to the provisions of Section 232 of the Act. Any obligations/ steps which need to be undertaken by the Transferor Company 2 pursuant to the sanction of this Scheme shall be fulfilled by the Transferee Company.

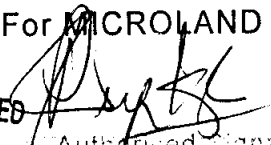
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PART IV**GENERAL TERMS AND CONDITIONS****33. AMENDMENT TO THE MEMORANDUM OF ASSOCIATION OF THE TRANSFEE COMPANY AND COMBINATION OF AUTHORIZED SHARE CAPITAL**

- 33.1. Upon this Scheme becoming effective and with effect from the Appointed Date 2, the authorised share capital of the Transferee Company shall automatically stand increased by the authorised share capital of the Transferor Company 1 and Transferor Company 2 and the authorised share capital of Transferee Company comprising of 22,00,00,000 (Twenty Two Crores) Equity shares of Re. 1 (Rupee one only) each and 5,30,00,000 (Five Crore Thirty Lakhs) 0.01% non-cumulative convertible or redeemable Series A preference shares of Rs.10 (Rupees Ten only) each shall be reclassified to 22,02,00,000 (Twenty Two Crore Two Lakhs shares) Equity shares of Re. 1 (Rupee one only) each and 5,30,00,000 (Five Crore Thirty Lakhs) 0.01% non-cumulative convertible or redeemable Series A preference shares of Rs.10 (Rupees Ten only) each, as on the Effective Date, without any further act or deed on part of the Transferee Company including without payment of stamp duty and fees payable to Registrar of Companies.
- 33.2. Thus, the authorised share capital of the Transferor Companies shall be combined with the authorised share capital of the Transferee Company and reclassified in the manner stated above and the Memorandum of Association and Articles of Association of the Transferee Company shall stand amended accordingly without any further act or deed on the part of the Transferee Company.
- 33.3. The consent of the shareholders of the Transferor Companies and Transferee Company to the Scheme shall be deemed to be sufficient for the purposes of affecting this amendment and no further resolution(s) under Sections 13 and 61 of the Act or any other applicable provisions of the Act would be required to be separately passed, as the case may be and there would be no requirement for any further payment of stamp duty and/ or fee by the Transferee Company for increase and reclassification in the authorised share capital to that extent.

The authorised share capital of the Transferee Company, post such increase and reclassification, shall be as under:


Particulars	Amount in Rs.
Authorized Share Capital	
22,02,00,000 Equity shares of Re. 1 each	22,02,00,000
5,30,00,000 0.01% non-cumulative convertible/ redeemable Series A Preference shares of Rs.10 each	53,00,00,000
Total	75,02,00,000

For Microin Services Private Limited

 Authorised Signatory

For INNERFRAME SERVICES PRIVATE LIMITED

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 DIRECTOR

For MICROIN SERVICES PRIVATE LIMITED

 Authorised Signatories

- 33.4. Clause V of the Memorandum of Association of the Transferee Company shall be substituted by the following Clause

"The Authorised Capital of the Company is "Rs.75,02,00,000 (Rupees Seventy Five Crores Two Lakhs Only)" divided into 22,02,00,000 (Twenty Two Crores Two Lakhs only) equity shares of Re.1/- each (Rupee One Only) and 5,30,00,000 (Five Crores Thirty Lacs only)" Preference Shares of Rs. 10/- each (Rupees Ten Only) with a power to increase or reduce the capital of the Company, to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Articles of Association of the Company and to vary modify or abrogate any such rights, privileges or conditions in such manner as for the time being be provided by the Company and to consolidate or sub-divide the shares of higher or lower denominations in accordance with the provisions of Companies Act, 2013."


34. APPLICATION TO THE NCLT

- 34.1. The Companies shall obtain the requisite consents, approval or permission of any statutory authority as may be required or which by law may be necessary.
- 34.2. The Companies shall, with reasonable dispatch, apply to the NCLT for necessary orders or directions for holding meetings of the members/ creditors of the Transferor Companies and Transferee Company, as the case may be, for sanctioning this Scheme under Section 230 of the Companies Act, 2013 (or such applicable provisions of the Companies Act, 2013, as the case may be) or for dispensing the holding of such meetings and orders under Section 230 to 232 of the Companies Act, 2013 for carrying this Scheme into effect and for dissolution of the Transferor Companies without winding up.

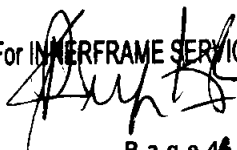
35. MODIFICATION OR AMENDMENTS TO THE SCHEME

- 35.1. The Transferor Companies and the Transferee Company, by their respective Board of Directors, may assent to any modifications/ amendments to the Scheme or to any conditions or limitations that the NCLT and/ or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e., the Board of Directors). The Transferor Companies and the Transferee Company, by their respective Board of Directors, shall be authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/ or any matter concerned or connected therewith. If any part or clause of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the respective Board of Directors of the Transferor

For Microin Services Private Limited

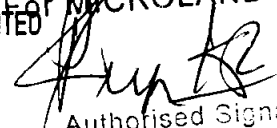

Authorized Signatory

For INNERFRAME SERVICES PRIVATE LIMITED



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DIRECTOR

For MICROLAND LIMITED



Authorized Signatories

Companies and the Transferee Company, affect the adoption or validity or interpretation of the other parts and/or provisions of this Scheme.

36. CONDITIONALITY OF THE SCHEME

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


- (a) The sanctions and approval, including sanctions of any governmental authority or any other agency, department or authority as may be required under any law;
- (b) The Scheme being approved by the requisite majorities in value of such classes of persons including the members and/or creditors of the Transferor Companies and the Transferee Company, as may be directed by the NCLT or any other competent authority or any other appropriate authority under the applicable provisions of the Act, as may be applicable.
- (c) The sanction of the NCLT or any other Appropriate Authority under law being obtained under the relevant provisions of the Act and other applicable laws by the Transferor Companies and the Transferee Company;
- (d) The certified copy of the Order of the NCLT under Sections 230 to 232 of the Act or any other competent authority or any appropriate authority under the applicable provisions of the Act, as may be applicable, being filed with the Registrar of Companies, Karnataka by the Transferor Companies and the Transferee Company; and
- (e) If any part of this Scheme is found to be unworkable for any reason whatsoever, then the same shall not, subject to the final decision of the Transferee Company, affect the validity, working or implementation of other parts/ provisions of the Scheme.

37. EFFECT OF NON-RECEIPT OF APPROVALS

37.1. In the event of any of the said sanctions and approvals referred to in Clause 36 not being obtained and/ or the Scheme not being sanctioned by the NCLT or such other competent authority, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

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


For Microin Services Private Limited


Authorised Signatory

For INNERFRAME SERVICES PRIVATE LIMITED


DIRECTOR

For MICROLAND LIMITED

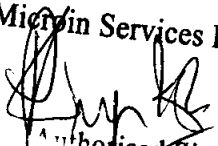

Authorised Signatory

-38. POWER TO WITHDRAW THE SCHEME AT ANYTIME

38.1. In the event of any condition or amendment or modification that may be imposed by the NCLT or any competent authority, or if the Board of Directors of the Transferor Companies or the Board of Directors of the Transferee Company, may find it unacceptable for any reason or if the Board of Directors of the said Transferor Companies or Transferee Company decides, they shall be at a liberty to withdraw from the Scheme unconditionally.

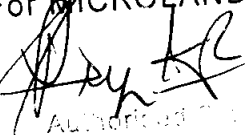
39. EXPENSES CONNECTED WITH THE SCHEME

39.1. All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne and paid by the Transferor Companies and the Transferee Company respectively. Stamp duty cost, if any, incurred in connection with the Scheme shall be borne by the Transferee Company.

For Microfin Services Private Limited

Authorised Signatory

For INNERFRAME SERVICES PRIVATE LIMITED


DIRECTOR
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For MICROLAND LIMITED

Authorised Signatory

Report adopted by the Board of Directors of Microin Services Private Limited at its meeting held on 5th October 2021 at Bengaluru explaining the effect of the scheme on each Class of Shareholders, Key Managerial Personnel, Promoters and Non-Promoter Shareholders, laying out in particular the share exchange ratio, if any, as per the provisions of section 232(2)(c) of the Companies Act, 2013

1. Background:

The proposed Scheme of Amalgamation ("**Scheme**") among Microin Services Private Limited ("**Transferor Company 1** or "**the Company**"), Innerframe Services Private Limited ("**Transferor Company 2**") and Microland Limited ("**Transferee Company**") and their respective shareholders and creditors was approved by the Board of Directors of the Company ("**Board**") vide resolution passed at its Meeting held on 5th October 2021.

In accordance with the provisions of Section 232(2)(c) of the Companies Act, 2013, the Directors of the Company are required to adopt a report explaining the effect of the Scheme on each class of Shareholders, Key Managerial Personnel ("**KMP**"), Promoter and Non-Promoter Shareholders of the Company, laying out in particular the share exchange ratio, specifying any special valuation difficulties.

This report of the Board is accordingly being made in pursuance to the requirements of section 232(2)(c) of the Companies Act, 2013.

2. Rationale of the Scheme

The Transferor Companies and the Transferee Company form part of the same group and the proposed Amalgamation is part of an internal restructuring exercise. The Transferor Companies acquired a controlling stake of 54.66% in the Transferee Company on a paid up capital basis (35.86% equity stake held by Transferor Company 1 and 18.81% equity stake is held by Transferor Company 2). With an intent to accelerate the business and achieve the long-term vision of the Transferee Company and to streamline the holding structure, the Transferor Companies are proposed to be amalgamated with the Transferee Company.

Consequently, to achieve the intended objective of consolidating the businesses of the Transferor Companies and the Transferee Company, and to promote the business of the Transferee Company as also envisaged at the time of acquisition of stake in the Transferee Company, a merger of Transferor Company 1 and Transferor Company 2 with Transferee Company is contemplated through this Scheme. The equity stake held by the Transferor Companies in the Transferee Company was always intended to be in the best interest of the Group to meet its business obligations, pursue the long-term business strategy and vision of the Transferee Company, improvement in the overall capital structure and enhancement/ advancement in the business operations of the Transferee Company. In addition, this amalgamation would provide transparency to the Promoters to engage and deal with the Transferee Company directly, leading to commitment and better functioning of businesses of the Transferee Company and benefit for the other shareholders of the Transferee Company.

In addition, it is expected that the integration, consolidation and amalgamation of the Transferor Companies with the Transferee Company would, inter-alia entail the following benefits:

- (a) Achieve greater integration and greater financial strength and flexibility for the combined entity leading to stronger negotiation power in the market and strengthened leadership in the industry;
- (b) Achieve greater efficiency in cash management and unfettered access to large cash flows, effective and centralized management of funds generated by the combined business which can be deployed more efficiently to fund larger projects with a stronger platform and strengthen brand visibility;
- (c) Achieve business growth in a more advantageous manner by combining all the businesses undertaken by the Parties into one and thereby provide an integrated offering to stakeholders as well as external customers/ agencies;
- (d) Achieve cost savings on account of reduction of various statutory and regulatory compliances, elimination of arm's length margins, standardization and simplification of business processes, elimination of duplication and rationalization of administrative expenses and simplification of structure;
- (e) Achieve administrative efficiency through better or centralized control over ongoing and future tax compliances/ litigation under various tax laws, corporate laws and exchange control regulations; and
- (f) The amalgamation will lead to the formation of a stronger entity having greater capacity for conducting its operations more efficiently and competitively.

3. Effect of Scheme of Arrangement on Stakeholders

Sl. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
(i)	Shareholders	<p>The Company only has one class of equity shareholders.</p> <p>Upon the scheme being effective, all the equity shares held by the Transferor Company 1 in the Transferee Company shall stand cancelled or extinguished without any further act or deed without any payment or consideration and no shares of the Transferee Company shall be issued in lieu thereof to that extent.</p> <p>The Transferee Company, upon this Scheme becoming effective and in consideration of the transfer and vesting of whole of the Undertaking 1 of the Transferor Company 1 (as defined in the scheme) with and into the Transferee Company, shall issue and allot</p>

		<p>to the equity shareholders of the Transferor Company 1, equity shares in the ratio ('Swap Ratio') of</p> <p><i>3,49,070 fully paid equity shares of Rs. 1/- (Rupee One) each of Transferee Company for every 100 equity shares of Rs. 10/- (Rupees Ten) each held in Transferor Company 1, which shall result in issuance of 3,49,07,000 equity shares of Rs. 1/- (Rupee One) each by the Transferee Company to the shareholders of Transferor Company 1."</i></p> <p>The Scheme is expected to have several benefits for the Company, as indicated in the rationale to the Scheme, as set out above and is expected to be in the best interests of the shareholders of the Company.</p>
(ii)	Promoter Shareholder	All the shareholders of the Company are Promoter Shareholders. Refer Point (i) above for details regarding effect on the shareholders.
(iii)	Non-Promoter Shareholders	The Company does not have any Non-Promoters Shareholders.
(iv)	Key Managerial Personnel	<p>The Company shall stand liquidated pursuant to the Scheme of Amalgamation. Accordingly, the KMPs of the Company shall cease to continue as key managerial personnel of the Company after effectiveness of the Scheme.</p> <p>Please refer to point (i) above for details regarding effect on the KMP who are the shareholders of the Company.</p>

4. Valuation

For the scheme, the Valuation Report was obtained from Shilpa Kiran G, Registered Valuer, wherein the following share entitlement was recommended in their report dated October 2, 2021 in respect of the Amalgamation of Transferor Company 1 into the Transferee Company.

"349,070 Equity Shares of Microland (Transferee Company) face value of Rs. 1/- each for 100 Equity Shares of Microin (Transferor Company 1) with face value of Rs. 10/- each fully paid up"

No special valuation difficulties were reported by Shilpa Kiran G in their aforesaid report.

5. Adoption of the Report by the Directors

The Directors of the Company have adopted this Report after noting and considering the information set forth in this Report. The Board or any duly authorised committee by the Board is entitled to make relevant modifications to this Report, if required, and such modifications or amendments shall be deemed to form part of this Report.

**For and on behalf of the Board of
Directors**

Sd/-

Sd/-

Pradeep Kar

Kalpana Kar

Director

Director

DIN: 00129501

DIN: 00492822

Place: Coonoor

Date: October 5, 2021

Report adopted by the Board of Directors of Innerframe Services Private Limited at its meeting held on 5th October 2021 at Bengaluru explaining the effect of the scheme on each Class of Shareholders, Key Managerial Personnel, Promoters and Non-Promoter Shareholders, laying out in particular the share exchange ratio, if any, as per the provisions of section 232(2)(c) of the Companies Act, 2013

1. Background:

The proposed Scheme of Amalgamation ("**Scheme**") among Microin Services Private Limited ("**Transferor Company 1**"), Innerframe Services Private Limited ("**Transferor Company 2**" or "**the Company**") and Microland Limited ("**Transferee Company**") and their respective shareholders and creditors was approved by the Board of Directors of the Company ("**Board**") vide resolution passed at its Meeting held on 5th October 2021.

In accordance with the provisions of Section 232(2)(c) of the Companies Act, 2013, the Directors of the Company are required to adopt a report explaining the effect of the Scheme on each class of Shareholders, Key Managerial Personnel ("KMP"), Promoter and Non-Promoter Shareholders of the Company, laying out in particular the share exchange ratio, specifying any special valuation difficulties.

This report of the Board is accordingly being made in pursuance to the requirements of section 232(2)(c) of the Companies Act, 2013.

2. Rationale of the Scheme

The Transferor Companies and the Transferee Company form part of the same group and the proposed Amalgamation is part of an internal restructuring exercise. The Transferor Companies acquired a controlling stake of 54.66% in the Transferee Company on a paid up capital basis (35.86% equity stake held by Transferor Company 1 and 18.81% equity stake is held by Transferor Company 2). With an intent to accelerate the business and achieve the long-term vision of the Transferee Company and to streamline the holding structure, the Transferor Companies are proposed to be amalgamated with the Transferee Company.

Consequently, to achieve the intended objective of consolidating the businesses of the Transferor Companies and the Transferee Company, and to promote the business of the Transferee Company as also envisaged at the time of acquisition of stake in the Transferee Company, a merger of Transferor Company 1 and Transferor Company 2 with Transferee Company is contemplated through this Scheme. The equity stake held by the Transferor Companies in the Transferee Company was always intended to be in the best interest of the Group to meet its business obligations, pursue the long-term business strategy and vision of the Transferee Company, improvement in the overall capital structure and enhancement/ advancement in the business operations of the Transferee Company. In addition, this amalgamation would provide transparency to the Promoters to engage and deal with the Transferee Company directly, leading to commitment and better functioning of businesses of the Transferee Company and benefit for the other shareholders of the Transferee Company.

In addition, it is expected that the integration, consolidation and amalgamation of the Transferor Companies with the Transferee Company would, inter-alia entail the following benefits:

- (a) Achieve greater integration and greater financial strength and flexibility for the combined entity leading to stronger negotiation power in the market and strengthened leadership in the industry;
- (b) Achieve greater efficiency in cash management and unfettered access to large cash flows, effective and centralized management of funds generated by the combined business which can be deployed more efficiently to fund larger projects with a stronger platform and strengthen brand visibility;
- (c) Achieve business growth in a more advantageous manner by combining all the businesses undertaken by the Parties into one and thereby provide an integrated offering to stakeholders as well as external customers/ agencies;
- (d) Achieve cost savings on account of reduction of various statutory and regulatory compliances, elimination of arm's length margins, standardization and simplification of business processes, elimination of duplication and rationalization of administrative expenses and simplification of structure;
- (e) Achieve administrative efficiency through better or centralized control over ongoing and future tax compliances/ litigation under various tax laws, corporate laws and exchange control regulations; and
- (f) The amalgamation will lead to the formation of a stronger entity having greater capacity for conducting its operations more efficiently and competitively.

3. Effect of Scheme of Arrangement on Stakeholders

Sl. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
(i)	Shareholders	<p>The Company only has one class of equity shareholders.</p> <p>Upon the scheme being effective, all the equity shares held by the Transferor Company 2 in the Transferee Company shall stand cancelled or extinguished without any further act or deed without any payment or consideration and no shares of the Transferee Company shall be issued in lieu thereof to that extent.</p> <p>The Transferee Company, upon this Scheme becoming effective and in consideration of the transfer and vesting of whole of the Undertaking 2 of the Transferor Company 2 (as defined in the scheme) with and into the Transferee Company shall issue and allot</p>

		<p>to the equity shareholders of the Transferor Company 2 equity shares in the ratio ('Swap Ratio') of</p> <p><i>"1,37,737 fully paid equity shares of Rs 1/- (Rupee One) each of Transferee Company for every 100 equity shares of Rs 10/- (Rupees Ten) each held in Transferor Company 2, which shall result in issuance of 1,37,73,700 equity shares of Rs. 1/- (Rupee One) each by the Transferee Company to the shareholders of Transferor Company 2."</i></p> <p>The Scheme is expected to have several benefits for the Company, as indicated in the rationale to the Scheme, as set out above and is expected to be in the best interests of the shareholders of the Company.</p>
(ii)	Promoter Shareholder	All the shareholders of the Company are Promoter Shareholders. Refer Point (i) above for details regarding effect on the shareholders.
(iii)	Non-Promoter Shareholders	The Company does not have any Non-Promoters Shareholders.
(iv)	Key Managerial Personnel	<p>The Company shall stand liquidated pursuant to the Scheme of Amalgamation. Accordingly, the KMPs of the Company shall cease to continue as key managerial personnel of the Company after effectiveness of the Scheme.</p> <p>Please refer to point (i) above for details regarding effect on the KMP who are the shareholders of the Company.</p>

4. Valuation

For the scheme, the Valuation Report was obtained from Shilpa Kiran G, Registered Valuer, wherein the following share entitlement was recommended in their report dated October 2, 2021 in respect of the Amalgamation of Transferor Company 2 into the Transferee Company.

"137,737 Equity Shares of Microland (Transferee Company) face value of Rs. 1/- each for 100 Equity Shares of Innerframe (Transferor Company 2) with face value of Rs. 10/- each fully paid up."

No special valuation difficulties were reported by Shilpa Kiran G in their aforesaid report.

5. Adoption of the Report by the Directors

The Directors of the Company have adopted this Report after noting and considering the information set forth in this Report. The Board or any duly authorised committee by the Board is entitled to make relevant modifications to this Report, if required, and such modifications or amendments shall be deemed to form part of this Report.

**For and on behalf of the Board of
Directors**

Sd/-

Sd/-

Pradeep Kar

Kalpana Kar

Director

Director

DIN: 00129501

DIN: 00492822

Place: Coonoor

Date: October 05, 2021

Report adopted by the Board of Directors of Microland Limited at its meeting held on 02 October 2021 at Bengaluru explaining the effect of the scheme on each Class of Shareholders, Key Managerial Personnel, Promoters and Non-Promoter Shareholders, laying out in particular the share exchange ratio, if any, as per the provisions of section 232(2)(c) of the Companies Act, 2013

1. Background:

The proposed Scheme of Amalgamation ("**Scheme**") among Microin Services Private Limited ("**Transferor Company 1**"), Innerframe Services Private Limited ("**Transferor Company 2**") and Microland Limited ("**Transferee Company**" or "**the Company**") and their respective shareholders and creditors was approved by the Board of Directors of the Company ("**Board**") vide resolution passed at its Meeting held on 02 October 2021.

In accordance with the provisions of Section 232(2)(c) of the Companies Act, 2013, the Directors of the Company are required to adopt a report explaining the effect of the Scheme on each class of Shareholders, Key Managerial Personnel ("KMP"), Promoter and Non-Promoter Shareholders of the Company, laying out in particular the share exchange ratio, specifying any special valuation difficulties. The said report is required to be circulated to the shareholders and creditors along with the notice convening the Meeting.

This report of the Board is accordingly being made in pursuance to the requirements of section 232(2)(c) of the Companies Act, 2013.

2. Rationale of the Scheme

The Transferor Companies and the Transferee Company form part of the same group and the proposed Amalgamation is part of an internal restructuring exercise. The Transferor Companies acquired a controlling stake of 54.66% in the Transferee Company on a paid up capital basis (35.86% equity stake held by Transferor Company 1 and 18.81% equity stake is held by Transferor Company 2). With an intent to accelerate the business and achieve the long-term vision of the Transferee Company and to streamline the holding structure, the Transferor Companies are proposed to be amalgamated with the Transferee Company.

Consequently, to achieve the intended objective of consolidating the businesses of the Transferor Companies and the Transferee Company, and to promote the business of the Transferee Company as also envisaged at the time of acquisition of stake in the Transferee Company, a merger of Transferor Company 1 and Transferor Company 2 with Transferee Company is contemplated through this Scheme. The equity stake held by the Transferor Companies in the Transferee Company was always intended to be in the best interest of the Group to meet its business obligations, pursue the long-term business strategy and vision of the Transferee Company, improvement in the overall capital structure and enhancement/ advancement in the business operations of the Transferee Company. In addition, this amalgamation would provide transparency to the Promoters to engage and deal with the Transferee Company directly, leading to commitment and better functioning of businesses of the Transferee Company and benefit for the other shareholders of the Transferee Company.

In addition, it is expected that the integration, consolidation and amalgamation of the Transferor Companies with the Transferee Company would, inter-alia entail the following benefits:

- (a) Achieve greater integration and greater financial strength and flexibility for the combined entity leading to stronger negotiation power in the market and strengthened leadership in the industry;
- (b) Achieve greater efficiency in cash management and unfettered access to large cash flows, effective and centralized management of funds generated by the combined business which can be deployed more efficiently to fund larger projects with a stronger platform and strengthen brand visibility;
- (c) Achieve business growth in a more advantageous manner by combining all the businesses undertaken by the Parties into one and thereby provide an integrated offering to stakeholders as well as external customers/ agencies;
- (d) Achieve cost savings on account of reduction of various statutory and regulatory compliances, elimination of arm's length margins, standardization and simplification of business processes, elimination of duplication and rationalization of administrative expenses and simplification of structure;
- (e) Achieve administrative efficiency through better or centralized control over ongoing and future tax compliances/ litigation under various tax laws, corporate laws and exchange control regulations; and
- (f) The amalgamation will lead to the formation of a stronger entity having greater capacity for conducting its operations more efficiently and competitively.

3. Effect of Scheme of Arrangement on Stakeholders

Sl. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
(i)	Shareholders	<p>The Company only has one class of equity shareholders and does not have any preference shareholders.</p> <p>Upon the scheme being effective, all the equity shares held by the Transferor Company 1 in the Transferee Company shall stand cancelled or extinguished without any further act or deed without any payment or consideration and no shares of the Transferee Company shall be issued in lieu thereof to that extent.</p> <p>The Transferee Company, upon this Scheme becoming effective and in consideration of the transfer and vesting of whole of the Undertaking 1 of the Transferor Company 1 (as defined in the</p>

		<p>scheme) with and into the Transferee Company, shall issue and allot to the equity shareholders of the Transferor Company 1, equity shares in the ratio ('Swap Ratio') of</p> <p><i>3,49,070 fully paid equity shares of Rs. 1/- (Rupee One) each of Transferee Company for every 100 equity shares of Rs. 10/- (Rupees Ten) each held in Transferor Company 1, which shall result in issuance of 3,49,07,000 equity shares of Rs. 1/- (Rupee One) each by the Transferee Company to the shareholders of Transferor Company 1."</i></p> <p>The Transferee Company, upon this Scheme becoming effective and in consideration of the transfer and vesting of whole of the Undertaking 2 of the Transferor Company 2 (as defined in the scheme) with and into the Transferee Company shall issue and allot to the equity shareholders of the Transferor Company 2 equity shares in the ratio ('Swap Ratio') of</p> <p><i>"1,37,737 fully paid equity shares of Rs 1/- (Rupee One) each of Transferee Company for every 100 equity shares of Rs 10/- (Rupees Ten) each held in Transferor Company 2, which shall result in issuance of 1,37,73,700 equity shares of Rs. 1/- (Rupee One) each by the Transferee Company to the shareholders of Transferor Company 2."</i></p> <p>The Scheme is expected to have several benefits for the Company, as indicated in the rationale to the Scheme, as set out above and is expected to be in the best interests of the shareholders of the Company.</p>
(ii)	Promoter Shareholder	<p>The Promoters of the Company shall not be issued any shares in their capacity as Promoter shareholder of the Company.</p> <p>However, shares shall be issued to the Promoters in their capacity as shareholders in the Transferor Company 1 and Transferor Company 2 as per the swap ratio mentioned above.</p> <p>Please refer to point (i) above for details regarding effect on the shareholders.</p>
(iii)	Non-Promoter Shareholders	<p>The Non-Promoters Shareholders of the Company shall not be issued any shares.</p> <p>Please refer to point (i) above for details regarding effect on the shareholders.</p>

(iv)	Key Managerial Personnel	<p>The KMPs of the Company shall continue as key managerial personnel of the Company after effectiveness of the Scheme and there will be no change in the KMP of the Company pursuant to the Scheme.</p> <p>Please refer to point (i) above for details regarding effect on the KMP who are the shareholders of the Company.</p>
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4. Valuation

For the scheme, the Valuation Report was obtained from Shilpa Kiran G, Registered Valuer wherein the following share entitlement was recommended in their report dated October 02, 2021 in respect of the Amalgamation of Transferor Company 1 and Transferor Company 2 into the Transferee Company.

“349,070 Equity Shares of Microland (Transferee Company) face value of Rs. 1/- each for 100 Equity Shares of Microin (Transferor Company 1) with face value of Rs. 10/- each fully paid up.

137,737 Equity Shares of Microland (Transferee Company) face value of Rs. 1/- each for 100 Equity Shares of Innerframe (Transferor Company 2) with face value of Rs. 10/- each fully paid up.”

No special valuation difficulties were reported by Shilpa Kiran G in their aforesaid report.

5. Adoption of the Report by the Directors

The Directors of the Company have adopted this Report after noting and considering the information set forth in this Report. The Board or any duly authorised committee by the Board is entitled to make relevant modifications to this Report, if required, and such modifications or amendments shall be deemed to form part of this Report.

For and on behalf of the Board of Directors

Sd/-

Sd/-

Pradeep Kar

Revathy Ashok

Chairman and Managing Director

Director

DIN: 00129501

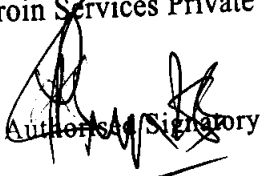
DIN: 00057539

Place: Bangalore

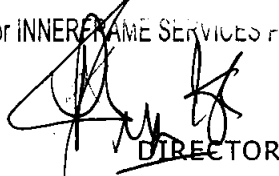
Date: 2 October 2021

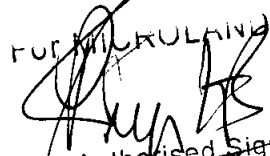
**REPORT ON DETERMINATION OF SHARE
ENTITLEMENT RATIO OF
MICROLAND LIMITED
MICROIN SERVICES PRIVATE LIMITED
INNERFRAME SERVICES PRIVATE LIMITED**

For Microin Services Private Limited


Authorised Signatory

For INNERFRAME SERVICES PRIVATE LIMITED


DIRECTOR

FOR MICROLAND LIMITED

Authorised Signatories

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Shilpa Kiran G
B Com, FCS, LLB, MBL, IP
Practising Company Secretary and
Registered Valuer - Securities or Financial Assets

Office:
 # L 506, Purva Panorama Apts,
 Bannerghatta Main Road,
 Kalena Agrahara,
 Near Meenakshi Temple,
 Bengaluru Karnataka 560076.
 M – 09686511333.
 Email id: kiran.silpa@gmail.com
 www.businessvaluers.in

STRICTLY PRIVATE AND CONFIDENTIAL

Date: 2nd October, 2021

To,

1. The Board of Directors,
Microland Limited
 1B, RMZ Ecospace, Belandur,
 Outer Ring Road Bangalore -560103
2. The Board of Directors,
Microin Services Private Limited
 862 C, 13th Main, Koramangala Block 3,
 Bangalore - 560034
3. The Board of Directors,
Innerframe Services Private Limited
 862/C, 'PRAANA', 13th Main,
 3rd Block, Koramangala,
 Bangalore - 560034

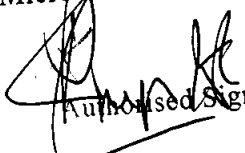
Dear Sirs,

SUB: REPORT ON DETERMINATION OF SHARE ENTITLEMENT RATIO

We understand that the management of Microland Limited (“**Microland**” or “Transferee Company” or “the Company”) are contemplating the merger of Microin Services Private Limited (“**Microin**” or “Transferor Company 1”) and Innerframe Services Private Limited (“**Innerframe**” or “Transferor Company 2”) into Microland Limited under a Scheme of Amalgamation under the provisions of Sections 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013. As a consideration for this Proposed Merger, equity shareholders of Microin and Innerframe would be issued equity shares of Microland in lieu of their shareholding in Microin and Innerframe respectively.

REPORT ON DETERMINATION OF SHARE ENTITLEMENT RATIO

For Microin Services Private Limited


 Authorized Signatory

For INNERFRAME SERVICES PRIVATE LIMITED


 DIRECTOR




 AUTHORIZED SIGNATORY
 MICROLAND LIMITED

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The Audit Committee of the Company, in terms of the circular resolution passed on 26th September, 2021 have unanimously appointed Shilpa Kiran Gududur ("Valuer"), Registered Valuer for issuance of this Report. The Engagement Letter has been signed by the Valuer and the Company on 26th September, 2021.

The purpose of this Valuation report is to arrive at a Share Entitlement Ratio for the proposed scheme of Amalgamation of Microin Services Private Limited and Innerframe Services Private Limited with Microland Limited. The scope of my services is to conduct a relative (and not absolute) valuation of equity shares of the Companies and report share entitlement ratio for the Proposed Amalgamation in accordance with internationally accepted valuation standards. This Valuation report has been prepared based on the information furnished to me.

Based on the valuation, I recommend the following Share Entitlement Ratio for Amalgamation of Microin Services Private Limited and Innerframe Services Private Limited with Microland Limited:

"3,49,070 Equity Shares of Microland (Transferee Company) face value of Rs.1/- each for 100 Equity Share of Microin (Transferor Company 1) with face value of Rs.10/- each fully paid up.

1,37,737 Equity Shares of Microland (Transferee Company) face value of Rs.1/- each for 100 Equity Share of Innerframe (Transferor Company 2) with face value of Rs.10/- each fully paid up."

No fractional shares shall be issued by the Transferee Company and all fractions shall be rounded off to the nearest whole number.

In my opinion, the above Share Entitlement Ratio of shares would be fair and equitable to the shareholders of all the companies. I appreciate the co-operation received from your executives during this assignment.

Thanking you,

Yours faithfully,




.....
Shilpa Kiran Gududur
Registered Valuer - Securities or Financial Assets
Reg. No: IBBI/RV/04/2019/10998
COP No. IIV-RVO/OM/380/2019

For Microin Services Private Limited



Authorised Signatory

For INNERFRAME SERVICES PRIVATE LIMITED



DIRECTOR

FOR MICROLAND LIMITED



Authorised Signatory

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[Handwritten signature]

For **Microin Services Private Limited** OF INNERFRAME SERVICES PRIVATE LIMITED
[Handwritten signature]
 Authorized Signatory DIRECTOR

FOR MICROLAND LIMITED
[Handwritten signature]
 Authorized Signatories

*Restricted & Confidential***I. PURPOSE OF VALUATION AND APPOINTING AUTHORITY**

- (i) With an intent to accelerate the business and achieve the long-term vision of Microland, to streamline the holding structure, greater efficiency in cash management, unfettered access to cashflows generated by group, cost savings, rationalisation, standardisation and simplification of business process, arising from such amalgamation, it is contemplated to amalgamate Microin and Innerframe into Microland, with effect from the close of business on 30th April, 2021 or such other date as may be determined by the Board of directors of Microin and Microland for the merger of Microin into Microland ("Appointed Date 1") and the close of business on 31st August, 2021 or such other date as may be determined by the Board of directors of Innerframe and Microland for merger of Innerframe into Microland ("Appointed Date 2") pursuant to the Amalgamation Scheme under Section 230 to 232 of the Companies Act, 2013. In agreement with the stated amalgamation, the shareholders of Microin and Innerframe shall be issued amalgamation consideration (as defined hereinafter) determined based on the Fair Value of equity shares of Microland, Fair Value of equity shares of Microin and Fair Value of equity shares of Innerframe as on 31st August, 2021 ("Valuation Date").
- (ii) I have been appointed as independent valuer by management of Microland to determine Fair Value of equity shares of Microin, Fair Value of equity shares of Innerframe, Fair Value of equity shares of Microland and to compute a Share Entitlement ratio basis thereon to determine the number of equity shares to be allotted to the shareholders of Microin and Innerframe by Microland as a consideration for amalgamation ("amalgamation Consideration").
- (iii) The Share Entitlement ratio arrived at by me is meant for said purpose only. This report should neither be placed before any third party nor be made available for circulation, without our prior written consent, except to the management or shareholders of the Microland, Microin, Innerframe and Regional Director, National Company Law Tribunal, and the Registrar of Companies, as required for the said purpose.

II. BACKGROUND INFORMATION OF ALL THE COMPANIES

- (i) **Microland** Limited is a company incorporated on 20th April, 1989 under the Companies Act, 1956 (CIN – U85110KA1989PLC014450) with its registered office at 1B, RMZ Ecospace, Belandur, Outer Ring Road Bangalore -560103.
- (ii) **Microin** Services Private Limited is a company incorporated on 20th December, 2019 under the Companies Act, 2013 (CIN –U72900KA2019PTC130874) with its registered office at 862 C, 13th Main, Koramangala Block 3, Bengaluru- 560034.
- (iii) **Innerframe** Services Private Limited is a Company incorporated on 12th November, 2020 under the Companies Act, 2013 (CIN – U74999KA2020PTC140995) with its registered office at 862/C, 'Praana', 13th Main, 3rd Block, Koramangala, Bengaluru- 560034.
- (iv) Microland, Microin and Innerframe are hereinafter together referred to as "**Companies**".

REPORT ON DETERMINATION OF SHARE ENTITLEMENT RATIO

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For **Microin Services Private Limited**

Authorised Signatory

For **INNERFRAME SERVICES PRIVATE LIMITED**

DIRECTOR

SHILPA KIRAN GUDDUR
 Chartered Valuer
 No. BBI/VI/04/2019/109
 Bangalore
 8660910000
 Regd. Valuer, Bengaluru

Authorised Signatory

For **MICROLAND LIMITED**

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Overview of all the Companies:**A. MICROLAND LIMITED****Business activities of the Company:**

Microland is engaged in the business of IT infrastructure management services. Microland was incorporated in 1989 as network systems integrator and is headquartered in Bangalore, India. Microland is mainly into remote infrastructure management and has operations across the globe with presence in USA, UK and Middle East.

Microland offers data centre, messaging and collaboration, network, security, systems, end-user, server management, database administration, backup and storage management, virtualization, and Web infra services. The Company also offers data centre management, e-mail messaging management, help desk, network management, security management, desktop management, and consulting services, as well as enterprise and consumer technical support services.

The Company provides IT Infrastructure management services to companies operating in various industries, viz. Chemical Manufacturing, Chemicals Manufacturing, Financial Services, Healthcare and Consumer industry. For the Financial Year 20202021, 84.57% of revenue was generated from outside India (53.94% - USA, 6.01% - Middle East and 24.76% - United Kingdom and rest of the world except India) and 15.3% from India.

The directors of Microland are as follows:

Sl. No.	Name of Director	DIN	Designation
1.	Ashok Revathy	00057539	Director
2.	Pradeep Kar	00129501	Managing Director
3.	Pravin Ratilal Gandhi	00694153	Director

Shareholding Pattern of Microland as on 31st August, 2021 on a fully diluted basis is as under:

Sl. No.	Name of the Shareholder	No. of Shares of Re.1/- each	% of shareholding
1	Pradeep Kar & Kalpana Kar	4,23,51,010	29.66
2	Microin Services Pvt Ltd	5,03,86,894	35.29
3	INNERFRAME SERVICES PVT LTD	2,64,26,820	18.51
4	Microland Investments Private Limited	26,64,250	1.87
5	ICICI Individuals	6,12,084	0.43
6	Ashima Madan and Pradip Madan	7,94,968	0.56
7	IL And FS Financial Services Limited	20,00,000	1.40
8	Employees Shares – ESOP (allotted and non allotted)	97,00,400	6.79
9	Others	77,46,124	5.43
10	Other Body Corporates	87,000	0.06
	Total	14,27,69,550	100.00

REPORT ON DETERMINATION OF SHARE ENTITLEMENT RATIO

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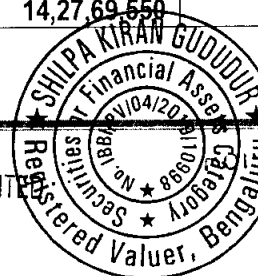
For Microin Services Private Limited

FOR INNERFRAME SERVICES PRIVATE LIMITED

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DIRECTOR

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Capital Structure of the Company:

The **Total Authorized Share Capital** of the Company is Rs. 75,00,00,000/- divided into-

- Rs. 22,00,00,000 consists of 22,00,00,000 equity shares of Rs. 1/- each; and
- Rs. 53,00,00,000 consists of 5,30,00,000 non-cumulative convertible/ redeemable series A preference shares of Rs. 10/- each

The **Total Paid-up Share Capital** of the Company is Rs. 14,05,19,550/- divided into-

- Rs. 14,05,19,550 consists of 14,05,19,550 equity shares of Rs. 1/- each; and
- Company does not have any paid-up non-cumulative convertible/ redeemable series A class preference shares as on date.

* Employees under ESOP Calculation:-

Sl. No.	Particulars	No. of Shares of Re.1/- each
1	ESOPs exercised	74,50,400
2	ESOPs granted but not exercised	22,50,000
	Total Employee shares under ESOP*	97,00,400

Following are the key historical financial inputs of Microland for 2020-21, 2019-20 and 2018-19 financial years:

(INR. In million)

Sl. No.	Particulars	2020-21	2019-20	2018-19
I	Total Revenue	9,410.6	8,459.5	7,625.6
II	Operating Expenses	7,934.3	7,822.9	6,754.0
III	EBITDA (I -II)	1,476.3	636.6	871.6
a	Financial Cost	22.0	86.5	82.5
b	Depreciation	105.6	106.6	118.6
IV	Total (a+b)	8,061.9	193.1	201.1
V	Profit Before Exceptional Items and Tax (III-IV)	1,348.7	443.5	670.5
VI	Exceptional Items	-	-	-
VII	Profit Before Tax (V-VI)	1,348.7	443.5	670.5
VIII	Tax	356.0	161.3	187.0
IX	Profit After Tax (VII-VIII)	992.7	282.2	483.5

B. MICROIN SERVICES PRIVATE LIMITED**Current business activities of the Company:**

Microin was incorporated with an objective to engage in the business of establishing, designing, developing, maintaining, organizing consulting servicing, training and products covering all branches of services including management, commercial, business, information technology, legal, engineering, data processing, communicating and other technological social or other services and products. It is also engaged in the business of acquiring the

REPORT ON DETERMINATION OF SHARE ENTITLEMENT RATIO

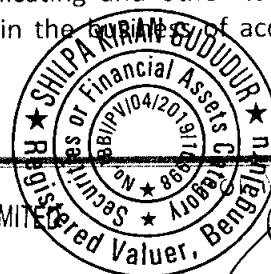
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For Microin Services Private Limited

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For INNERFRAME SERVICES PRIVATE LIMITED

DIRECTOR



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software and hardware, providing management consultancy in areas of business operations, process analysis, strategy development and operational improvement services

The directors of Microin are as follows:

Sl. No.	Name of Director	DIN	Designation
1.	Pradeep Kar	00129501	Director
2.	Kalpana Kar	00492822	Director

Capital Structure of the Company:

The **Total Authorized Share Capital** of the Company is Rs. 1,00,000/- consisting of Rs. 10,000 equity shares of Rs. 10/- each

The **Total Paid-up Share Capital** of the Company is Rs. 1,00,000/- consisting of Rs. 10,000 equity shares of Rs. 10/- each

Shareholding Pattern of Microin as on 31st August, 2021 fully diluted basis is as under:

Sl. No.	Name of the Shareholder	No. of Shares of Re.10/- each	% of shareholding
1	Pradeep Kar	9,999	99.99
2	Kalpana Kar	1	0.01
	Total	10,000	100.00

The following are the key historical financial inputs of Microin for the last three financial years:

Company is a newly incorporated entity, it was incorporated on 20th December, 2019. For Financial Year 2019-20 there is no revenue and other expenses of Rs.2,65,908/- was only accounted resulting in loss of Rs.2,65,908/- during that year.

C. INNERFRAME SERVICES PRIVATE LIMITED

Current business activities of the Company:

Innerframe was incorporated with a business objective to establish, design, develop, maintain, organize consulting services, trainings and products in areas of business operations, process analysis, strategy development and operational improvement services. Innerframe also engaged in providing Management Consultancy services covering all branches of services including management, commercial, business, information technology, legal, engineering, data processing, communication and other technological social or other services and products towards designing, building and managing business process, technology and people to enable good business outcomes.

REPORT ON DETERMINATION OF SHARE ENTITLEMENT RATIO

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Microin Services Private Limited

Authorised Signatory

For INNERFRAME SERVICES PRIVATE LIMITED

DIRECTOR



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The directors of Innerframe are as follows:

Sl. No.	Name of Director	DIN	Designation
1.	Pradeep Kar	00129501	Director
2.	Kalpana Kar	00492822	Director

Capital Structure of the Company:

The **Total Authorized Share Capital** of the Company is Rs. 1,00,000/- consisting of Rs. 10,000 equity shares of Rs. 10/- each

The **Total Paid-up Share Capital** of the Company is Rs. 1,00,000/- consisting of Rs. 10,000 equity shares of Rs. 10/- each

Shareholding Pattern of Innerframe as on 31st August, 2021 fully diluted basis is as under:

Sl. No.	Name of the Shareholder	No. of Shares of Re.10/- each	% of shareholding
1	Pradeep Kar	9,999	99.99
2	Kalpana Kar	1	0.01
	Total	10,000	100.00

The following are the key historical financial inputs of Innerframe for the last financial years:

Company is a newly incorporated entity, it was incorporated on 12th November, 2020. Hence, no information is provided under audited financials of the Company.

III. INDUSTRY OVERVIEW

India is the world's largest sourcing destination with largest qualified talent pool of technical graduates in the world. According to National Association of Software and Service Companies (NASSCOM), the Indian IT industry's revenue is estimated to reach US\$ 194 billion in FY21, an increase of 2.3% YoY. The sector is the largest employer within the private sector. According to Gartner estimates, IT spending in India is estimated to reach US\$ 93 billion in 2021 (7.3% YoY growth) and further increase to US\$ 98.5 billion in 2022.

This push towards cloud services has boosted hyper-scale data centre investments, with global investments estimated to exceed ~US\$ 200 billion annually by 2025. India is expected to gain a significant share in the global market, with the country's investment expected to hit ~US\$ 5 billion annually by 2025.

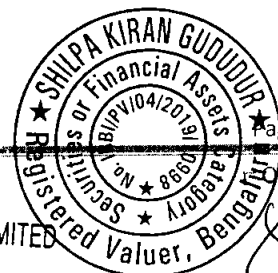
In Budget 2021, the government has allocated Rs. 53,108 crore (US\$ 7.31 billion) to the IT and telecom sector.

REPORT ON DETERMINATION OF SHARE ENTITLEMENT RATIO

For Microin Services Private Limited

[Signature]
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For INNERFRAME SERVICES PRIVATE LIMITED
[Signature]
DIRECTOR



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MICROIN SERVICES PRIVATE LIMITED

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The IT industry accounted for 8% of India's GDP in 2020. Exports from the Indian IT industry are expected to increase by 1.9% to reach US\$ 150 billion in FY21. In 2020, the IT industry recorded 1,38,000 new hires. According to STPI (Software Technology Park of India), the software exports by its registered units increased by 7% YoY to reach Rs. 5 lakh crore (US\$ 67.40 billion) in FY21 from Rs. 4.66 lakh crore (US\$ 62.82 billion) in FY20, driven by rapid digitization and the IT industry's timely transition to remote working environments that helped to keep up the industry's growth amid coronavirus pandemic.

The IT & BPM industry's revenue is estimated at ~US\$ 194 billion in FY21, an increase of 2.3% YoY. The domestic revenue of the IT industry is estimated at US\$ 45 billion and export revenue is estimated at US\$ 150 billion in FY21.

Artificial Intelligence (AI) is expected to boost India's annual growth rate by 1.3% by 2035, as per NITI Aayog. A substantial increase in AI by Indian firms can result in a 2.5% increase in India's Gross Domestic Product (GDP) in the immediate term. In September 2020, NASSCOM FutureSkills and Microsoft collaborated to launch a nationwide AI skilling initiative to train one million students in AI technology by 2021.

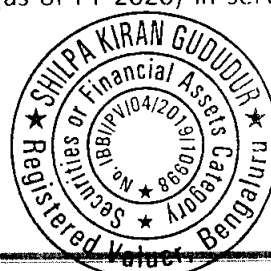
The computer software and hardware sector in India attracted cumulative foreign direct investment (FDI) inflows worth US\$ 71.05 billion between April 2000 and March 2021. The sector ranked 2nd in FDI inflows as per the data released by Department for Promotion of Industry and Internal Trade (DPIIT).

In 2020, PE investments in the sector stood at US\$ 7.5 billion. IT & BPM led the venture capital (VC) investment with 380 deals in in 2020, contributing 71% to the total deal count. The COVID-19 pandemic has accelerated the demand for third-party data centre services in India.

The Government of India has extended tax holidays to the IT sector for Software Technology Parks of India (STPI) and Special Economic Zones (SEZs). As of February 2020, there were 421 approved SEZs across the country, with 276 of them from IT & BPM and 145 as exporting SEZs.

Advantage India:

1. Growing demand-
 - India's IT sector market is projected to reach US\$ 100 billion by 2025.
 - IT spending in India is estimated to reach US\$ 93 billion in 2021 (7.3% YoY growth) and further increase to US\$ 98.5 billion in 2022.
2. Global Footprint-
 - Indian IT firms have delivery centres across the world and are well diversified across verticals such as BFSI, telecom and retail.
 - Indian IT firms have delivery centres across the world.
3. Competitive Advantage-
 - A preferred destination for IT & BPM in the world, it continues to be a leader in the global sourcing industry with 52% market share (as of FY 2020) in services exports from the country.
4. Policy Support-



REPORT ON DETERMINATION OF SHARE ENTITLEMENT RATIO

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For Microin Services Private Limited

FOR INNERFRAME SERVICES PRIVATE LIMITED

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- In Union Budget 2021, the allocation for IT and telecom sector stood at Rs. 53,108 crore (US\$ 7.31 billion).
- The Ministry of Heavy Industries and Public Enterprises launched six technology innovation platforms to develop technologies for global competitive manufacturing in India.

Source Reference:

<https://www.ibef.org/industry/indian-it-and-ites-industry-analysis-presentation>

IV. SWOT ANALYSIS

SWOT analysis means analysing the activities of the Company by identifying them under four basic elements like strengths, weaknesses, opportunities, and threats of the Company. SWOT analysis provide a thorough insight to arrive at a particular business decision, where you can make a more informed choice that uses resources wisely and leads to better outcomes to achieve the goals of the Company. Following is the SWOT analysis of the Indian Software Industry.

Strengths:

- Preferential policies
- New software parks and fund for investment
- Exploiting overseas software marketing successfully
- Strict quality assurance system

Weaknesses:

- Depending on software outsourcing and low domestic demand.
- Weakness of hardware industry

Opportunities

- Instant development of world software industry
- Achievement obtained by Microsoft in human economic history

Threats

- Instability of political environment
- Horizontal competition

V. COVID-19 PANDEMIC IMPACT

At the Valuation Date, the Covid crisis was still unfolding and the future impact of the Coronavirus was not capable of being qualitatively or quantitatively assessed at this time. The Management has factored in the impact of Covid in the business plans of the Company based on the information available till Valuation Date and their understanding of the likely impact. We have relied on the same for the valuation analysis. However, this should not be considered

REPORT ON DETERMINATION OF SHARE ENTITLEMENT RATIO

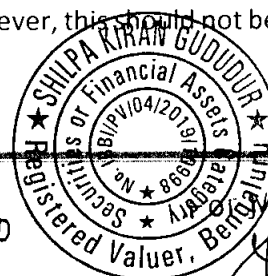
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Microin Services Private Limited

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as an accurate assessment of the future impact of the Coronavirus on the Company, or any prediction regarding the future course of events that would arise due to the Covid crisis.

The Company had taken certain measures in March 2020 when the impact of the COVID-19 pandemic started impacting the country. In compliance with the safeguard measures taken by the various governments, offices were on lockdown and all employees of the company started working from home from March of 2020.

Since the services provided by the company to its customers were on a remote basis, the movement of employees to work from home did not impact its services adversely. Also, company enabled its employees by giving necessary support by providing infra required to work from home like backup UPS, shifting of desktops to home, provide data cards etc.

Similar restrictions placed by the governments in other countries also prevented our employees not able to go to the customer premises for providing services. However, since the nature of services provided can be done remotely also, those employees have supported such customers remotely from their homes (Work From Home).

Due to the above measures the company's revenues has not been adversely impacted due to the pandemic. The closure of their facilities has also resulted in savings in facility maintenance costs like Electricity, Staff Welfare, Employee Transport costs etc, which resulted in better profitability in FY 2020-21. Later, when the restrictions continued the company exited few certain leased premises, which also resulted in savings during the year.

Supportive regulatory environment, stringent cost control measures, sufficient availability of liquidity, workforce and safe work environment enables the Company to overcome the COVID-19 situation without any adverse impact. Company maintains a healthy cash and bank balances and unutilised working capital limits to effectively mitigate any liquidity risks. The financial projections and scenario analysis further asserts its ability to continue to earn operating profit.

VI. IDENTITY OF THE VALUER AND STATUS OF VALUER

Shilpa Kiran Gududur is a Valuer registered with Insolvency and Bankruptcy Board of India having Reg. No: IBBI/RV/04/2019/10998 (COP No. IIV-RVO/OM/380/2019) under Financial or Securities Assets Category. She is a Fellow Member of Institute of Company Secretaries of India with over 19 years of work experience which includes 9 years as Practicing Company Secretary. She is also a Bachelor of Commerce, Bachelor of Law, Masters in Business Law and Insolvency Professional.

The Valuer is an Individual having no material connection or involvement with the company. No other experts have been involved in the Valuation.

VII. DISCLOSURE OF VALUER INTEREST/CONFLICT, IF ANY

The Valuer is independent and does not have any interest or conflict of interest of any kind with the Company.

REPORT ON DETERMINATION OF SHARE ENTITLEMENT RATIO



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For Microin Services Private Limited For INNERFRAME SERVICES PRIVATE LIMITED

[Signature]
Authorised Signatory

[Signature]
DIRECTOR

[Signature]
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VIII. DATE OF APPOINTMENT, VALUATION DATE AND DATE OF REPORT

Valuation date: 31st August, 2021

The analysis of the Fair Value of the equity shares of the Companies have been carried out as on 31st August, 2021

Date of Appointing Registered Valuer by Audit Committee: 26th September, 2021

Date of Appointment Letter: 26th September, 2021

Date of engagement letter: 26th September, 2021

Date of Valuation Report: 2nd October, 2021

IX. SCOPE OF WORK AND SOURCES OF INFORMATION

Scope: I have been appointed by the transferee company for the recommendation of Share Entitlement Ratio for the amalgamation of "M/s. Microin Services Private Limited and M/s. Innerframe Services Private Limited with M/s. Microland Limited" as per the scheme of amalgamation with their respective shareholders and creditors, under the provisions of Companies Act 2013.

Source of Information: The Valuer, has prepared Share Entitlement Ratio Report on the basis of the following information provided by the Companies:

- * Draft Scheme of Amalgamation

And

For Microland :-

- * Understanding Nature of Business and Prospects of the Companies based on explanations provided by the management;
- * Audited financial statements for the year ended 31st March, 2019, 31st March 2020 and 31st March 2021;
- * Memorandum and Articles of Association
- * Management Representation Letter from Microland Limited
- * Unaudited Provisional financial statements of the Companies for five months ended 31 August 2021
- * Management certified projected financial statements for next 5 financial years from 2021-22 till 2025-26.
- * Shareholding pattern as on valuation date
- * Note on covid impact on the business of Microland Limited
- * A brief profile of the company

For Microin :-

- * Understanding Nature of Business and Prospects of the Companies based on explanations provided by the management;
- * Audited financial statements for March 31, 2020;

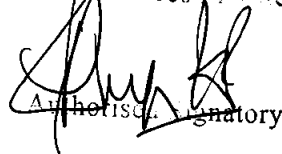
REPORT ON DETERMINATION OF SHARE ENTITLEMENT RATIO

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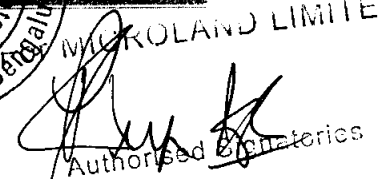
For Microin Services Private Limited

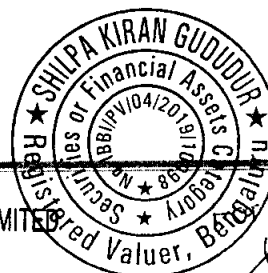
For INNERFRAME SERVICES PRIVATE LIMITED

MICROLAND LIMITED


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DIRECTOR


Authorised Signatory



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- Memorandum and Articles of Association
- Unaudited financial statements of the Companies for the financial year ended 31 March 2021 and 31 August 2021
- Shareholding pattern as on valuation date

For Innerframe : -

- Understanding Nature of Business and Prospects of the Companies based on explanations provided by the management;
- Memorandum and Articles of Association
- Unaudited financial statements of the Companies for the financial year ended 31 March 2021 and 31 August 2021
- Shareholding pattern as on valuation date

I have reviewed the projected financial statements provided by the Companies and have assessed the reasonableness of the same based on my discussions with the Company's management concerning its prospects.

In the course of the study, I have used financial and other information provided by the Companies or obtained from private and reliable public sources. However, I have not validated such information and my conclusions are dependent on such information being complete and accurate in all material respects.

X. INSPECTIONS AND INVESTIGATIONS UNDERTAKEN:

The management provided us necessary information as required for the purpose of valuation. We have inspected the data as provided to us by the management. The basis of this reports is documents provided and secondary research only. We have also inspected information available in Public domain www.mca.gov.in.

XI. VALUATION STANDARDS

The Report has been prepared in compliance with the International Valuation Standards (IVSs) titled IVS 2020.

XII. CURRENCY OF VALUATION

The valuation by the Registered Valuer is in the INR (Indian Rupees) currency.

XIII. RESTRICTIONS ON USE OF THE REPORT

The Final Report has been prepared to arrive at Share Entitlement Ratio for amalgamation of Microin Services Private Limited and Innerframe Services Private Limited with **Microland Limited**.

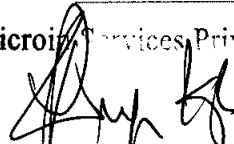
The information contained herein our report is absolutely confidential. It is intended only for the sole use and information of the companies involved in the scheme of Amalgamation and only in connection with the proposed amalgamation as aforesaid including for the purpose of obtaining regulatory approvals for the proposed amalgamation. I am not responsible to any

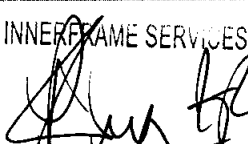
REPORT ON DETERMINATION OF SHARE ENTITLEMENT RATIO

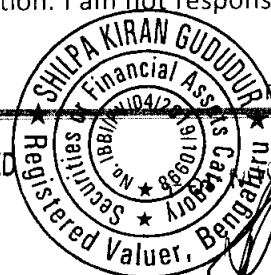
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For Microin Services Private Limited

For INNERFRAME SERVICES PRIVATE LIMITED


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other person/party for any decision of such person or party based on this report. Any person/party intending to provide finance/invest in shares/ business of any of the companies and/or investor companies shall do so after seeking their own professional advice and carrying out their own due diligence procedures to ensure that they are making an informed decision. It is hereby notified that any reproduction, copying or otherwise quoting of this report or any part thereof, other and in connection with proposed amalgamation as aforesaid, can be done only with our prior permission in writing.

Therefore, the Final Report may not be disclosed, in whole or in part, to any third party or used for any purpose whatsoever other than those indicated in the Engagement and in the Final Report itself, provided that the Final Report may be transmitted to the experts appointed in compliance with the law and its content may be disclosed publicly where required by regulations of the Indian authorities. Any other use, in whole or in part, of the Final Report will have to be previously agreed and authorised in writing by Valuer.

XIV. SALIENT FEATURES OF THE PROPOSED SCHEME

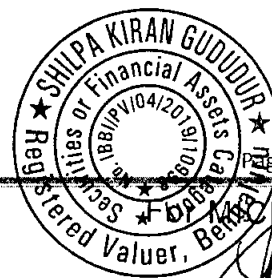
1. The Scheme envisages amalgamation of Microin Services Private Limited and Innerframe Services Private Limited with Microland Limited.
2. The amalgamation shall take effect from the Appointed Date which shall be the close of business on 30th April, 2021 for merger of Microin and the close of business on 31st August, 2021 for merger of Innerframe
3. The Transferor Companies and the Transferee Company form part of the same group and the proposed Amalgamation is part of an internal restructuring exercise. The Transferor Companies acquired a controlling stake of around 54% in the Transferee Company. With an intent to accelerate the business and achieve the long-term vision of the Transferee Company and to streamline the holding structure, the Transferor Companies are proposed to be amalgamated with the Transferee Company.
4. Consequently, to achieve the intended objective of consolidating the businesses of the Transferor Companies and the Transferee Company, and to promote the business of the Transferee Company as also envisaged at the time of acquisition of stake in the Transferee Company, a merger of Transferor Company 1 and Transferor Company 2 with Transferee Company is contemplated through this Scheme. The equity stake held by the Transferor Companies in the Transferee Company was always intended to be in the best interest of the Group to meet its business obligations, pursue the long-term business strategy and vision of the Transferee Company, improvement in the overall capital structure and enhancement/ advancement in the business operations of the Transferee Company. In addition, this amalgamation would provide transparency to the Promoters to engage and deal with the Transferee Company directly, leading to commitment and better functioning of businesses of the Transferee Company and benefit for the other shareholders of the Transferee Company.

REPORT ON DETERMINATION OF SHARE ENTITLEMENT RATIO

For Microin

Services Private Limited

INNERFRAME SERVICES PRIVATE LIMITED



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5. The Management of all the Companies are of the view that this amalgamation would benefit all the Companies as well as their shareholders and creditors in the following manner –
- Achieve greater integration and greater financial strength and flexibility for the combined entity leading to stronger negotiation power in the market and strengthened leadership in the industry;
 - Achieve greater efficiency in cash management and unfettered access to large cash flows, effective and centralized management of funds generated by the combined business which can be deployed more efficiently to fund larger projects with a stronger platform and strengthen brand visibility;
 - Achieve business growth in a more advantageous manner by combining all the businesses undertaken by the Parties into one and thereby provide an integrated offering to stakeholders as well as external customers/ agencies;
 - Achieve cost savings on account of reduction of various statutory and regulatory compliances, elimination of arm's length margins, standardization and simplification of business processes, elimination of duplication and rationalization of administrative expenses and simplification of structure;
 - Achieve administrative efficiency through better or centralized control over ongoing and future tax compliances/ litigation under various tax laws, corporate laws and exchange control regulations; and
 - The amalgamation will lead to the formation of a stronger entity having greater capacity for conducting its operations more efficiently and competitively.

XV. PROCEDURES ADOPTED IN CARRYING OUT THE VALUATION

The general process for the valuation starts with analysis of historical and current financials, then analysis of future projections, if applicable, is done and discussion with the Company is performed to understand the future assumptions. After analysing the data appropriate valuation method is determined, valuation is done and valuation report is prepared.

VALUATION METHODOLOGY

There are several commonly used and accepted methods for determining the fair value of the business of a Company. They mainly fall under the following three categories:

- Income Approach
- Cost Approach (and)
- Market Approach;

The application of any aforesaid method of valuation depends on the nature of operations, level of maturity of the businesses, future business potential and purpose of valuation. For the purpose of arriving at the fair value of the Equity shares of the Company, it would be

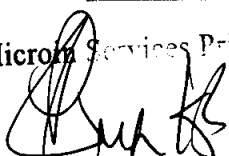
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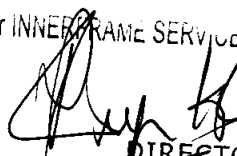
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For Microm Services Private Limited

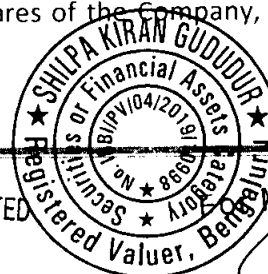
FOR INNER FRAME SERVICES PRIVATE LIMITED

MICROLAND LIMITED


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necessary to select an appropriate basis for valuation from among the various alternatives available.

Income Approach

Income approach is the valuation technique that converts future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.

Income approach includes different models of valuation, out of which Discounted Cash Flow model ("DCF") is the most commonly used methodology for various assets such as shares, businesses, real estate projects, debt instruments, etc.

The DCF method values the asset by discounting the cash flows expected to be generated by the asset for the explicit forecast period and also the perpetuity value (or terminal value) in case of indefinite life assets. Terminal value is the value of the asset at the end of the explicit forecast period.

DCF is based upon expected future cash flows of the Company that will determine investor's actual return and is not influenced by short-term market conditions or non-economic indicators. DCF methodology is not vulnerable to accounting conventions since it is based on cash flows rather than accounting profits. DCF method of valuation is based on two key inputs: Cash flows and Discount rate.

Cash flow projections used for DCF shall reasonably capture the growth prospects and earnings capability of the Company, and shall be determined based on its past performance and factors such as the Company's vulnerability to advancement in technology, actions by competitors, changes in end-user requirements, expansion plans, cyclical fluctuations, effects of change in government policies, availability of financing etc.

Discount rate ("Cost of Capital") is the return expected by a market participant from a particular investment and shall not only reflect the time value of money but also the inherent risk in the asset being valued as well as risk inherent in achieving the future cash flows.

There are many methods which are used for determining the discount rate. The most commonly used methods are Capital Asset Pricing Model ("CAPM") and Weighted Average Cost of Capital ("WACC") which is the combination of cost of equity and cost of debt weighted for their relative funding in the asset. Additional risk premium can be added to the Discount rate to incorporate specific risks associated with stage and size of business of the Company.

Terminal value represents the present value at the end of explicit forecast period of all subsequent cash flows to the end of the life of the asset or into perpetuity if the asset has an indefinite life. There are multiple methods in estimating the terminal value which include Gordon (Constant) growth model, Variable growth model, Exit multiple and Salvage/liquidation value among others.



REPORT ON DETERMINATION OF SHARE ENTITLEMENT RATIO

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For INTERFRAME SERVICES PRIVATE LIMITED
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DIRECTOR

For DISCLOSURE LIMITED
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*Restricted & Confidential***Cost Approach**

Cost approach is a valuation technique that reflects the amount that would be required to replace the current service capacity of net assets of the Company or the value that net assets of the Company can derive. Cost approach may be most appropriate for valuation in following specific circumstances:

- An asset can be quickly recreated with substantially the same utility as the asset to be valued and without regulatory or legal restrictions;
- In case of liquidation; or
- In cases where income approach and/or market approach cannot be used, such as:
 - a. Where there is paucity of information about future profitability or uncertainty about future cash flows;
 - b. Where there are violent fluctuations or disruptions in future cashflows;
- Where it is required by specific provisions of any tax or other statutes;

Market Approach

Market approach is a valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business. Most commonly used methods under market approach are Market price method, Comparable companies multiple (CCM) or Comparable transactions multiple (CTM) method.

Under Market price method the traded price of the asset observed over a reasonable period shall be considered. Comparable Companies Multiple Method, also known as Guideline Public Company Method, involves valuing an asset based on market multiples derived from prices of market comparable traded on active market. While identifying and selecting the market comparable, following factors shall be considered:

- industry to which the asset belongs;
- geographic area of operations;
- similar line of business, or similar economic forces that affect the asset being valued; or
- other parameters such as size (for example - revenue, assets, etc), stage of lifecycle of the asset, profitability, diversification, etc.

Comparable Transaction Multiple Method, also known as 'Guideline Transaction Method' involves valuing an asset based on transaction multiples derived from prices paid in transactions of asset to be valued /market comparable (comparable transactions). While identifying and selecting the comparable transaction, following factors shall be considered:

- transactions that have been consummated closer to the valuation date are generally more representative of the market conditions prevailing during that time;
- there shall be in an orderly transaction;
- availability of sufficient information on the transaction to reasonably understand the market comparable and derive the transaction multiple; or
- availability of information on transaction from reliable sources;

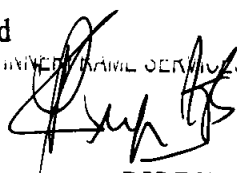
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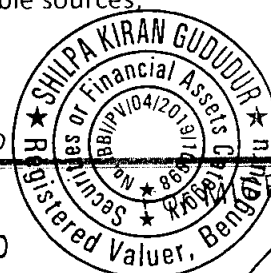
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For Microin Services Private Limited

FOR MICROIN SERVICES PRIVATE LIMITED


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DIRECTOR




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XVI. VALUATION BASE AND PREMISE

Premise of Valuation: The estimate of the valuation of the company was on the basic assumption of a "going concern premise". This premise assumes that the Company is a Going concern i.e., a business enterprise that is conducting operations at a given date, has every reasonable expectation of doing so for the foreseeable future after that date. Going concern value is the value of a Business Enterprise that is expected to continue to operate into the future. The intangible elements of Going Concern Value result from factors such as having an experienced team, the growth potential of the company, the business opportunities ahead, the USP of the services of the company, the systems and procedures in place.

Basis of value: Fair Value

Fair Value per Equity Share of the Companies is derived by referring to the total value that the Companies can accumulate over the period by operating as going concern.

XVII. SELECTION OF APPROACH AND METHOD AND MAJOR FACTORS THAT WERE TAKEN INTO ACCOUNT DURING THE VALUATION

I have considered various approaches and methods available for determining the value of equity share of the Company, the relative emphasis of each was considered based on:

- Nature and stage of business of the company;
- Nature of industry to which the company belongs;
- Reliability and availability of adequate inputs/information for each method/approach of valuation;
- Extent of availability of industry and comparable information;
- The purpose of valuation;
- Regulatory Requirement: In Compliance with provisions of The Companies Act, 2013.

Keeping in mind the purpose of the report and availability of information I have adopted below stated methodologies since in my view it derives best estimate value of equity share of the Companies:

Name of the Company	Valuation Approach
Microland Limited <i>(Please refer note 1)</i>	Income Approach- Discount Cash Flow methodology
Microin Services Private Limited <i>(Please refer note 2)</i>	Asset Approach- Net Asset Value methodology
Innerframe Services Private Limited <i>(Please refer note 2)</i>	Asset Approach- Net Asset Value methodology

Note:

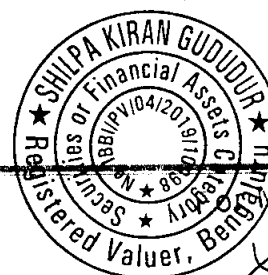
1. I am given to understand from the management of Microland through the financial information and the financial projections of Microland that, it is a profit-making entity and management has reasonable grounds for such future estimates. Hence, we have adopted Income Approach – Discount Cash Flow methodology.

REPORT ON DETERMINATION OF SHARE ENTITLEMENT RATIO

For Microin Services Private Limited For INNERFRAME SERVICES PRIVATE LIMITED

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I did not use Market Approach to estimate the value of Microland as there are no publicly listed comparable companies with significant revenue from remote infrastructure management services.

2. I am given to understand from the management of Microin and Innerframe that as on Valuation Date there are no business operations carried on by Microin and Innerframe respectively and they are unable to build any business projections with reasonable estimates as on Valuation Date. Hence, we have adopted Asset Approach – Net Asset Value Methodology, since in our opinion it derives the best estimate of Fair Value per Equity Share of Microin and Innerframe as on Valuation Date. Further, adjusted the fair value of their investment in Microland (computed based on DCF method).

XVIII. SHARE ENTITLEMENT RATIO CALCULATIONS

- i. Fair Value per Equity Share of Microland as on Valuation Date, is INR **59.60/-** (*Indian Rupees Fifty Nine and Sixty paise only*). (Please refer **Annexure – A** for the Valuation Calculations)
- ii. Fair Value per Equity Share of Microin as on Valuation Date, is INR **2,08,011.90/-** (*Indian Rupees Two Lakhs Eight Thousand Eleven and ninety paise only*). (Please refer **Annexure – B** for the Valuation Calculations)
- iii. Fair Value per Equity Share of Innerframe as on Valuation Date, is INR **82,078.20/-** (*Indian Rupees Eighty Two Thousand Seventy Eight and Twenty paise only*). (Please refer **Annexure – C** for the Valuation Calculations)
- iv. **Determination of Share Entitlement Ratio for amalgamation Consideration:**

Valuation Approach	Microland		Microin		Innerframe	
	Value per equity share (INR)	Weight	Value per equity share (INR)	Weight	Value per equity share (INR)	Weight
Income Approach- Discounted Cashflow Method	59.60	100%	NA	NA	NA	NA
Asset Approach- Net Asset Value Method	NA	NA	2,08,011.90	100%	82,078.20	100%
Market Approach	NA	NA	NA	NA	NA	NA
Fair Exchange Ratio (Rounded off)			3,490.70		1,377.37	

Computation of Share Entitlement Ratio – Microland with Microin

Particulars	Amount (INR)
Value of 1 Microland share	59.60
Value of 1 Microin Share	2,08,011.90
Final Share Entitlement Ratio	3,49,070 Equity Shares of Microland face value of Rs.1/- each for 100 Equity Share of Microin with face value of Rs.10/-.

REPORT ON DETERMINATION OF SHARE ENTITLEMENT RATIO

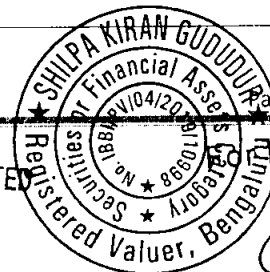
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For Microin Services Private Limited

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*Restricted & Confidential*Computation of Share Entitlement Ratio – Microland with Innerframe

Particulars	Amount (INR)
Value of 1 Microland share	59.60
Value of 1 Innerframe Share	82,078.20
Final Share Entitlement Ratio	1,37,737 Equity Shares of Microland face value of Rs.1/- each for 100 Equity Share of Innerframe with face value of Rs.10/-.

XIX. SUBSEQUENT FACTS AFTER VALUATION DATE

The Valuation date is 31st August, 2021 whereas the Valuation Report is issued on 2nd October, 2021. There are no subsequent material facts after valuation date till the date of valuation report.

XX. ASSUMPTIONS

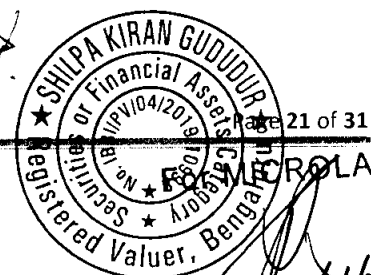
1. It has been assumed that the required and relevant policies and practices have been adopted by Company and would be continued in the future.
2. I have assumed that the merger will be consummated on the terms set forth in the Scheme and that the final version of the Scheme will not change in any material respect from the draft version I have reviewed for the purpose of this opinion.
3. I have also relied on data from external sources to conclude the valuation. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where I have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context.
4. There would not be any capital variation in the Companies till the Proposed Amalgamation becomes effective, except issuance of Employee Stock Options in normal course of the business of the Companies, if any;
5. Till the Proposed Amalgamation becomes effective, neither Companies would declare any substantial dividends having materially different yields as compared to past few years, if any.
6. There are no unusual/abnormal events in the Companies since the last audited accounts till the Report date materially impacting their operating/financial performance.
7. The opinion of value given in this report is based on financial data, operational data and information provided in part by the management by the Company and other sources as listed in the report. The management represents that this information is accurate, complete, true and correct to the best of their knowledge.

REPORT ON DETERMINATION OF SHARE ENTITLEMENT RATIO

For Microin Services Private Limited and INNERFRAME SERVICES PRIVATE LIMITED

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8. We have not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances, or that the owner has good title to all the assets.
9. We have also assumed that the business will be operated prudently and that there are no unforeseen adverse changes in the economic conditions affecting the business, the market, or the industry.
10. We have been informed by management that there are not environmental or toxic contamination problems any significant law suits, or any other undisclosed contingent liabilities which may potentially affect the business, except as may be disclosed elsewhere in this report. We have assumed that no costs or expenses will be incurred in connection with such liabilities, except as explicitly stated in this report.

XXI. CAVEATS, LIMITATION AND DISCLAIMERS:

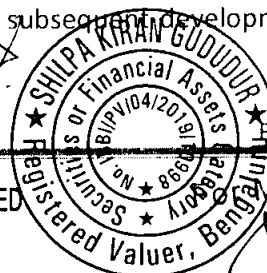
1. For the preparation of this report, I have relied upon the accuracy and completeness of the financial and other information provided by the Companies. I have relied upon all specific information as received and decline any responsibility should the results presented be affected by the lack of completeness or truthfulness.
2. Publicly available information, from sources which are generally considered to be reliable, deemed relevant for the purpose of the analysis contained in this Report has also been used for the purpose of valuation. However, I make no representation as to the accuracy or completeness of such information.
3. For the purpose of determination of fair value of equity share of the Companies, I have performed my analyses based on the information provided by the management and obtained from sources in public domain which are generally considered to be reliable, and methodologies illustrated herein, reaching the conclusion contained in this Report. The conclusion arrived at is subjective and dependent on exercise of individual judgement.
4. Fair value of equity share of the companies arrived at herein is based on the assumption that the current level of management expertise and effectiveness would continue to be maintained, and that the character and integrity of the company would not be materially or significantly impacted / altered through any sale, reorganisation, exchange or any other transaction, except as may be required to achieve the business and financial plan of the Companies.
5. I have not compiled or validated the prospective financial information of the Companies or any related assumptions and therefore, I do not express an audit opinion or any such assurance on the same. There may be material differences between such prospective financial information and actual results, due to change in events and circumstances or otherwise.
6. This Report and the conclusion are necessarily based on economic, market and other conditions as of the date hereof, and the written and oral information made available to me until 31st August, 2021. It is to be understood that subsequent developments may

REPORT ON DETERMINATION OF SHARE ENTITLEMENT RATIO

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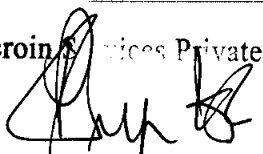
affect the conclusion of the Report and I have no obligation to update, revise, or reaffirm my opinion for the same.

7. Future services regarding the subject matter of this report, including, but not limited to testimony or attendance in court, shall not be required of me or any of my employees unless previous arrangements have been made in writing.
8. Adequate information and time have been given for carrying out the valuation.
9. Prospective financial information approved by the management of Companies has been used in my work. I have not examined or compiled the prospective financial information and therefore, do not express an audit opinion or any such assurance on the prospective financial information or other related assumptions. Events and circumstances frequently do not occur as expected and there will usually be differences between prospective financial information and actual results, and those differences may be material.
10. The valuation report is tempered by the exercise of judicious discretion by the RV, taking into account the relevant factors. There will always be several factors, e.g., management capability, present and prospective competition, market sentiment, etc. which may not be apparent from the Balance Sheet but could strongly influence the value.
11. Neither all nor any part of the contents of this report should be disseminated to the public through advertising media, public relations, news media, mail, direct transmittal, or any other means of communication without the prior written consent and approval of Valuer.
12. The conclusions contained in this Final Report are based on the whole of the valuations contained herein and therefore no part of the Final Report may be used apart from the document in its entirety.
13. The Final Report and the Opinion are necessarily based on economic, market and other conditions as of the date hereof, and the written and oral information made available to us. It is understood that subsequent developments may affect the conclusions of the Final Report and of the Opinion and that, in addition, Valuer has no obligation to update, revise, or reaffirm the Opinion.
14. The valuation of companies and assets is made based on the available facts and circumstances and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. Although every scientific method has been employed in systematically arriving at the value, there is no indisputable single value and the estimate of the value is normally expressed as falling within a likely range. To comply with the client request, I have provided a single value for one equity shares of the company. Whilst, I consider the valuation to be both reasonable and defensible based on the information available, others may place a different value.
15. Registered Valuer owe responsibility to only to the company that has appointed me under the terms of the engagement letters. I will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person.

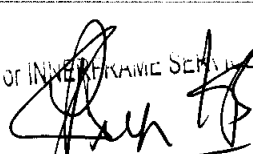
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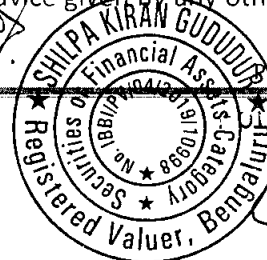
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For Microin Services Private Limited

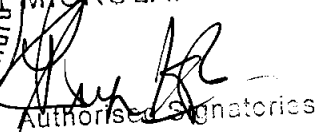

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FOR INVESTMENT SERVICES PRIVATE LIMITED


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In no event shall I be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the client or companies, their directors, employees or agents. My compensation is not contingent on an action or event resulting from the analysis, opinions or conclusions in, or the use of this report.

16. It may further be noted that in no circumstances the Valuers liability related to the service provided in connection with this value analysis, shall exceed the amount paid to us as our fees for this valuation.

XXII. CONCLUSION

The valuation of the Companies was conducted as per relevant International valuation standards, 2020 (IVS) and internationally accepted pricing methodology. No difficulties or other obstacles have arisen in subject valuation.

"3,49,070 Equity Shares of Microland (Transferee Company) face value of Rs.1/- each for 100 Equity Share of Microin (Transferor Company 1) with face value of Rs.10/- each fully paid up.

1,37,737 Equity Shares of Microland (Transferee Company) face value of Rs.1/- each for 100 Equity Share of Innerframe (Transferor Company 2) with face value of Rs.10/- each fully paid up."

No fractional shares shall be issued by the Transferee Company and all fractions shall be rounded off to the nearest whole number.

This report is based on the information prevailing as on the date of this report and I have no obligation to update this report or my conclusion, for information that comes to my attention after the date of report.



.....
Shilpa Kiran Gududur
Registered Valuer – Securities or Financial Assets
Registration No: IBBI/RV/04/2019/10998
COP No. IIV-RVO/OM/380/2019



Place: Bangalore

Date: 2nd October, 2021

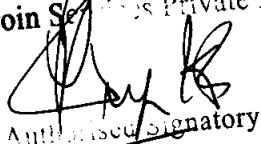
REPORT ON DETERMINATION OF SHARE ENTITLEMENT RATIO

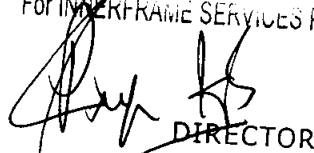
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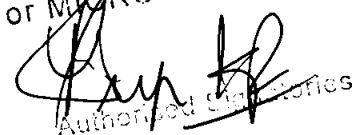
For Microin Services Private Limited

For INNERFRAME SERVICES PRIVATE LIMITED

For MICROLAND LIMITED


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ANNEXURE – A: VALUATION CALCULATION OF MICROLAND**Discounted Cash Flow Method****Profits & Losses and Cash Flow Projections:**

Amount in INR Million

	Particulars	Projections						Terminal Value
		FY22	FY23	FY24	FY25	FY26	FY27	
	Number of months	7 months (31.08.21- 31.03.2022)	12 months	12 months	12 months	12 months	12 months	
I	Net sales	6,325	11,823	13,361	15,064	17,005	19,192	20,152
II	Operating expenses	(5,668)	(10,522)	(11,885)	(13,361)	(15,075)	(17,068)	
III	EBITDA	657	1,301	1,476	1,703	1,930	2,125	2,231
IV	Depreciation and amortisation	(86)	(192)	(212)	(200)	(191)	(180)	(194)
V	EBIT	571	1,108	1,264	1,504	1,739	1,945	2,037
VI	Tax expense	(144)	(279)	(318)	(378)	(438)	(490)	(513)
VII	Debt free net income	428	829	946	1,125	1,301	1,455	1,524
VII	Add: Depreciation and amortisation	86	192	212	200	191	180	194
VIII	(Increase)/ Decrease in net working capital	535	(309)	(346)	(412)	(487)	(485)	(164)
	Less: Capital expenditure	(117)	(273)	(123)	(123)	(123)	(100)	(194)
	Debt free cash flow	932	440	689	790	883	1,051	1,360
	Discount rate (%)	19.416	19.416	19.416	19.416	19.416	19.416	
	Present value factor- Mid year discounting	0.95	0.83	0.69	0.58	0.48	0.41	
	Present value debt free cash flow	885	363	476	457	428	426	
	Perpetuity multiple							9,436
	Terminal value							9,436

Equity Valuation Analysis:-

in INR Million

Particulars	Amount
Horizon Value (present value)	3,035
Terminal Value (present value) [refer note below]	3,829
Less: Contingent Liabilities	(6)
Add :- Advance tax net of provision	22
Enterprise Value	6,880
Adjustment for Non-Operating Items :-	
Less : Debt	(69)
Add: Cash and cash equivalents	874
Add: fair value of investments	769
Equity Value	8,453
Add: Cash to be received from ESOPs	54
Total Equity Value	8,508



REPORT ON DETERMINATION OF SHARE ENTITLEMENT RATIO

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For Microin Services Private Limited

FOR INNER FRAME SERVICES PRIVATE LIMITED

For MICROLAND LIMITED

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Particulars	Amount
No. of Equity Shares (In Mn)	143
Value per equity share(Rounded Off)	59.60

Workings: -

1. Risk Free Rate (Rf) – 6.3% India 10-year Government Bond Generic Bid yield rate as on 31st August, 2021 is considered as Risk Free rate.

https://www.rbi.org.in/Scripts/BS_NSDPDisplay.aspx?param=4

2. Beta (approx.) (β) – 1.20 Beta has been taken from Mr. Aswath Damodaran website pertaining to the relevant industry

3. Expected Return from Market (Rm) -15.98%

BSE 500	Values
01-02-1999	1,000
31-08-2021	23,174
https://www.bseindia.com/indices/IndexArchiveData.html	23,174
Return on BSE 500 (%)	14.92%
Dividend yield %	1.06%
https://www.bseindia.com/markets/keystatics/Keystat_index.aspx	1.06%
Total return (Expected Market Return)	15.98%

4. Risk Premium (Rm - Rf) - 9.68%

5. Company Specific Risk (α) Considering it is well established company - 1.5

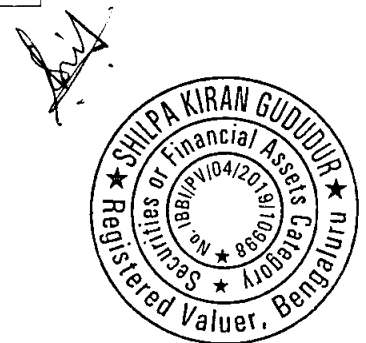
6. Cost of Equity - $Ke = Rf + \beta * (Rm - Rf) + \alpha = 19.416\%$

7. Calculation of Cost of Debt -Kd

Particulars	%
Borrowing rate	
Based on current borrowing cost as per Company as per discussions with Management.	9.4%
income tax rate	25.2%
Cost of Debt (Net of tax)	7.0%

8. Weighted Average Cost of Capital (WACC)

Particulars	Cost of Capital	Weightage	Cost
Cost of Equity	7.0%	0.00	0.00
Cost of Debt	19.4160%	1.00	19.4160
WACC		1.00	19.4160



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The Debt is negligible as compared to the Equity + Reserves / Surplus of the company and usually this specific industry is cash rich. Hence, Debt is not considered while computing WACC.

9. Operating performance

Particulars	Mar22	Mar23	Mar24	Mar25	Mar26	Mar27
Sales growth (%)	12.3	12.3	13.0	12.8	12.9	12.9
EBITDA margin (%)	10.4	11.0	11.0	11.3	11.4	11.1
Operating NCA as a % of sales (%)	11.8	13.1	14.2	15.3	16.4	17.1

The EBITDA margin of the company for the financial year 31st March 2021 was 14.5% because of cost saving as a result of Work from Home policy due to COVID Pandemic. The company in these future projections, has assumed that they shall implement Work from Home policy to the extent possible in future also.

10. Capital expenditure

in INR Million

Particulars	Mar22	Mar23	Mar24	Mar25	Mar26	Mar27
gross block	1,200.5	1,473.5	1,596.0	1,718.6	1,841.1	1,941.1
CWIP						
Net block	240.6	321.3	232.2	155.1	86.4	6.7
Depreciation	86	192	212	200	191	180
Incremental capital expenditure	117	273	123	123	123	100

11. Terminal period capital expenditure

Gross Block as at FY2027	1,941
Less: Gross Block of Land	-
Gross Block as at FY2027 (excluding Land and Goodwill)	1,941
Life	10
Terminal value CAPEX	194

12. Shareholding Pattern of Microland as on 31st August, 2021 fully diluted basis is as under:

Shareholding Pattern of Microland as on 31st August, 2021 fully diluted basis is as under:

Sl. No.	Name of the Shareholder	No. of Shares of Re.1/- each	% of shareholding
1	Pradeep Kar & Kalpana Kar	4,23,51,010	29.66
2	Microland Services Pvt Ltd	5,03,86,894	35.29
3	INNERFRAME SERVICES PVT LTD	2,64,26,820	18.51
4	Microland Investments Private Limited	26,64,250	1.87
5	ICICI Individuals	6,12,084	0.43

REPORT ON DETERMINATION OF SHARE ENTITLEMENT RATIO

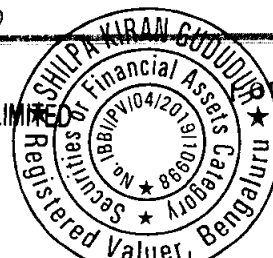
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6	Ashima Madan and Pradip Madan	7,94,968	0.56
7	IL And FS Financial Services Limited	20,00,000	1.40
8	Employees under ESOP	97,00,400	6.79
9	Others	77,46,124	5.43
10	Other Body Corporates	87,000	0.06
	Total	14,27,69,550	100.00

Capital Structure of the Company:

The **Total Authorized Share Capital** of the Company is Rs. 75,00,00,000/- divided into-

- Rs. 22,00,00,000 consists of 22,00,00,000 equity shares of Rs. 1/- each; and
- Rs. 53,00,00,000 consists of 5,30,00,000 non-cumulative convertible/ redeemable series A preference shares of Rs. 10/- each

The **Total Paid-up Share Capital** of the Company is Rs. 14,05,19,550/- divided into-

- Rs. 14,05,19,550 consists of 14,05,19,550 equity shares of Rs. 1/- each; and
- Company does not have any paid-up non-cumulative convertible/ redeemable series A class preference shares as on date.

* Employees under ESOP Calculation :-

Sl. No.	Name of the Shareholder	No. of Shares of Re.1/- each
1	ESOPs – exercised	74,50,400
2	ESOPs granted but not exercised	22,50,000
	TOTAL Employees under ESOP*	97,00,400

ESOPs as at Aug21				
Tranche	#Options outstanding	Issue Price	No of shares (Mn)	Cash to be received (Mn)
2007 Plan	2,85,000	7.90	0.3	2.3
2016 Plan	19,65,000	26.57	1.9	52.2
	22,50,000		2.3	54.5

13. There are no convertible instruments / warrants of the Companies issued or granted by the Companies as at the Valuation Date

14. Contingent liabilities (as per the Management Representation Letter)
in INR Million

Particulars	Value	Probability (%)	Adjusted value	Tax (%)	Adjusted value net of tax
Income tax demand	3.5	50.0	1.7		2
Legal case	-	-	-	25.2	-



REPORT ON DETERMINATION OF SHARE ENTITLEMENT RATIO

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For MicroLand Services Private Limited

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For INNERFRAME SERVICES PRIVATE LIMITED

[Signature]
DIRECTOR

For MICROLAND LIMITED

[Signature]
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Indirect tax demands	12.4	50.0	6.2	25.2	5
Others (specify nature)	-	-	-	25.2	-
Total	15.9		8		6.4

15. Terminal Value: -

Terminal Growth Rate (TGR) is long term average growth rate of a Company which estimates the rate at which a Company would perpetually grow when its business stabilizes. The terminal value refers to the present value of the business as a going concern beyond the period of projections up-to infinity. This value is estimated by taking into account expected growth rate of the industry and economy. Based on dynamics of the sector and discussions with the Management, we have assumed a terminal growth rate of 5% for the Company beyond the projection period. The cash flows of FY 2026-27 have been used to determine the terminal value. Based on these assumptions, the terminal value has been calculated as follows.

Terminal Value (TV)	=FCF*(1+TGR)/(WACC-TGR)
	Note:
	Free Cash Flow (FCF)
	Terminal Growth Rate (TGR)
	Weighted Average Cost of Capital (WACC)

Terminal Value assumptions :-

- 1) Estimated Sales Growth @5% based on industry analysis and inflation
- 2) EBITDA Margin approximately @11.1%
- 3) Working Capital as % of Sales 17.1%
- 4) Perpetuity Capex Rs. 194.1 (in Mn) assumed based on FY27 gross block and expected life of fixed assets, and as per discussions with Management.
- 5) Income Tax rate @25.2% based on prevailing corporate tax rate in India.

VALUATION OUTCOME: The Fair Value per equity share of Microland Limited, having face value of Rs. 1/- each, as per Discounted Cash Flow Method is Rs. 59.60/- (Rupees Fifty Nine and Sixty Paise only)



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ANNEXURE – B: VALUATION CALCULATION OF MICROIN

Net asset value of Microin as at 31-Aug-2021

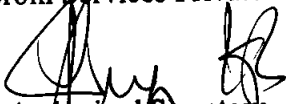
in INR Million

Particulars	Aug21	Aug21
Net block of fixed assets		-
Investments		745.7
Current assets		
Inventories	-	
Sundry debtors	-	
Loans and advances	7	
Cash and bank balances	1	
Other current assets	17	
	25	
Current liabilities and provisions		
Trade Payable	-	
Provisions	-	
Other current liabilities	137	
	137	
Net current assets (NCA)		(112.6)
Deferred tax assets		
Loan funds		
Loans	18	
Non convertible debentures	760	778.1
Deferred tax liability		
Net worth- unadjusted		(145.0)
Less: contingent liabilities		
Net equity value - adjusted		(145.0)
Add: gross debt		778.1
Less: balances of cash and cash equivalents		(0.7)
Less: book value of investments		(745.7)
Enterprise value		(113.3)
Less: gross debt		(778.1)
Add: cash and cash equivalents		0.7
Add: fair value of investments		3,003
Less: Transaction-related expenses		(31.7)
Equity value		2,080.1
Add: cash to be received from ESOPs		-
Total Equity Value		2,080.1
No of equity shares on a fully diluted basis (in mn)		0.01
Value per equity share (₹ / share)		2,08,011.9

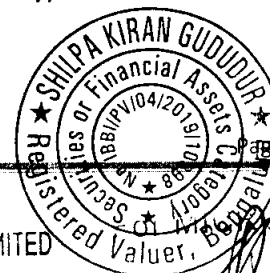
VALUATION OUTCOME: The Fair Value per equity share of Microin Services Private Limited, having face value of Rs. 10/- each, as per Discounted Cash Flow Method is Rs. 2,08,011.90/- (Rupees Two Lakhs Eight Thousand Eleven and Ninety paise only).

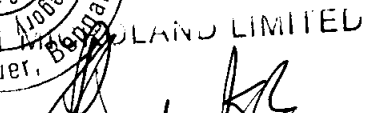
REPORT ON DETERMINATION OF SHARE ENTITLEMENT RATIO

For Microin Services Private Limited


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ANNEXURE – C: VALUATION CALCULATION OF INNERFRAME

Net asset value of Innerframe as at 31-Aug-2021

in INR Million

Particulars	Aug21	Aug21
Net block of fixed assets		-
Investments		727
Current assets		
Inventories	-	
Sundry debtors	-	
Loans and advances	0	
Cash and bank balances	67.61	
Other current assets	3	
	70	
Current liabilities and provisions		
Trade Payable	-	
Provisions	-	
Other current liabilities	67	
	67	
Net current assets (NCA)		3
Deferred tax assets		
Loan funds		
Loans	9	
Non convertible debentures	740	749
Deferred tax liability		-
Net worth- unadjusted		(19)
Less: contingent liabilities		
Net equity value - adjusted		(19)
Add: gross debt		749
Less: balances of cash and cash equivalents		(68)
Less: book value of investments		(727)
Enterprise value		(654.79)
Less: gross debt		(749)
Add: cash and cash equivalents		68
Add: fair value of investments		1575
Less: Transaction-related expenses		(8.3)
Equity value		821
Add: cash to be received from ESOPs		-
Total Equity Value		821
No of equity shares on a fully diluted basis (in mn)		0.01
Value per equity share (₹ / share)		82,078.20

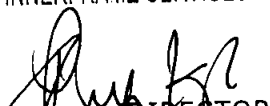
VALUATION OUTCOME: The Fair Value per equity share of Innerframe Services Private Limited, having face value of Rs. 10/- each, as per Discounted Cash Flow Method is Rs. 82,078.20/- (Rupees Eighty Two Thousand Seventy Eight and Twenty paise only).

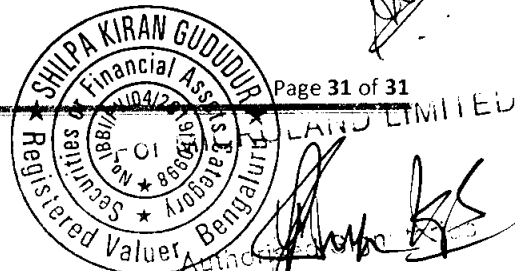
REPORT ON DETERMINATION OF SHARE ENTITLEMENT RATIO

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For Microin Services Private Limited OF INNERFRAME SERVICES PRIVATE LIMITED


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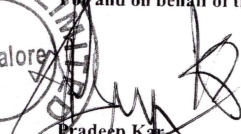


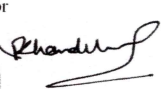
MICROLAND LIMITED
BALANCE SHEET [UNAUDITED]

(Rs. in lakhs, except share and per share data, unless otherwise stated)

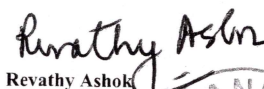
	Notes	As at 31 Dec 2021
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	3.1	1,405
Reserves and surplus	3.2	37,382
		<u>38,787</u>
Share application money pending allotment ⁽¹⁾	3.2	-
Non-current liabilities		
Long-term borrowings	3.3	86
Long-term provisions	3.4	-
Other long-term liabilities	3.5	0
		<u>86</u>
Current liabilities		
Short-term borrowings	3.6	-
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	3.7.2	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	3.7.2	491
Other current liabilities	3.8	15,369
Short-term provisions	3.9	2,321
		<u>18,181</u>
		<u>57,054</u>
ASSETS		
Non current assets		
Property, plant and equipment	3.10.1	1,989
Intangible assets	3.10.2	30
Non-current investments	3.11	15
Deferred tax assets (net)	3.26	1,043
Long-term loans and advances	3.12	2,741
Other non-current assets	3.13	104
		<u>5,922</u>
Current assets		
Current investments	3.14	10,969
Trade receivables	3.15	22,223
Cash and bank balances	3.16	8,875
Short-term loans and advances	3.17	2,091
Other current assets	3.18	6,974
		<u>51,132</u>
		<u>57,054</u>

For and on behalf of the Board of Directors

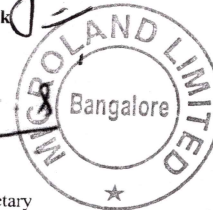

Pradeep Kar
Chairman and Managing
Director


Navneet Prakash Khandelwal
Chief Financial Officer

Place : Bengaluru
Date: 24th February 2022


Revathy Ashok
Director


Vedavalli S
Company Secretary

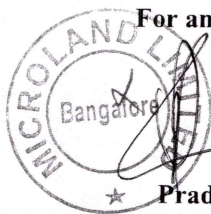


MICROLAND LIMITED**STATEMENT OF PROFIT AND LOSS [UNAUDITED]**

(Rs. in lakhs, except share and per share data, unless otherwise stated)

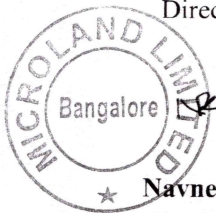
	Notes	For the period ended 31 Dec 2021
REVENUE		
Revenue from operations	3.19	75,421
Other income	3.20	2,030
Total revenue		77,451
EXPENSES:		
Purchases of stock-in-trade	3.21	4,473
Employee benefits expense	3.22	50,138
Finance costs	3.23	59
Depreciation and amortisation expense	3.10.1 & 3.10.2	861
Other expenses	3.24	13,262
Total expenses		68,793
Profit before tax		8,658
Tax expenses		
Current tax	3.25	1,485
Deferred tax (credit)/charge	3.26	-
Profit for the year		7,173

For and on behalf of the Board of Directors



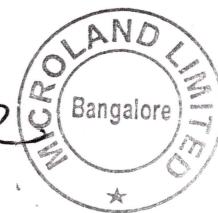
Pradeep Kar
★ Pradeep Kar

Chairman and Managing
Director

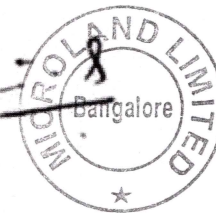


Navneet Prakash Khandelwal
★ Navneet Prakash Khandelwal

Chief Financial Officer



Revathy Ashok
Revathy Ashok
Director



Vedavalli S
Vedavalli S
Company Secretary

Place : Bengaluru

Date: 24th February 2022

MICROLAND LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS [UNAUDITED]
(Rs. in lakhs, except share and per share data, unless otherwise stated)

1 Company overview

Microland Limited is specialist IT Infrastructure Services Provider, offering a comprehensive range of services to clients across the globe. Microland has operations across the globe with presence in USA, UK and Middle East.

2 Significant accounting policies

2.1 Basis of preparation of standalone financial statements

The standalone financial statements are prepared in accordance with Generally Accepted Accounting Principles in India (GAAP) under the historical cost convention on the accrual basis, except for certain financial instruments which are measured on a fair value basis. GAAP comprises accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, and the relevant provisions of the Companies Act, 2013 ('the 2013 Act') / Companies Act, 1956 ('the 1956 Act'), as applicable, Accounting Standards ('AS') guidance notes issued by Institute of Chartered Accountants of India (ICAI) and other generally accepted accounting principles in India. The standalone financial statements are presented in Indian rupees rounded off to the nearest lakhs of rupee.

2.2 Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in India, requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

Impact of Covid 19

The Company has taken into account the possible impacts of COVID-19 in preparation of the standalone annual financial statements, including but not limited to its assessment of liquidity and going concern assumption, carrying amounts of current assets including trade receivables, unbilled and non current assets as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information such as our current contract terms, financial strength of partners, future volume estimates from the business etc. Having reviewed the underlying data and based on current estimates the Company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

2.3 Fixed assets and depreciation

Property, plant and equipment

Property, plant and equipment are carried at cost of acquisition less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets taken on finance lease are initially capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Company has provided for depreciation using straight line method over the useful life of the assets estimated by the Management.

Asset classification	Useful life	Asset classification	Useful life
Plant and equipment	10%	Electrical equipment	25%
Data processing equipment	25% / 33.33%	Office equipment	
Furniture and fixtures	20%	- General	25%
Vehicles	20%	- Cellular phones	33.33%

For the class of assets mentioned above, based on technical assessment carried out by experts engaged by management, the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Leasehold improvements are amortized over the lease term or useful life of assets, whichever is lower.

Depreciation is provided on a pro-rata basis i.e. from the date on which the asset is ready for use and up to the date of deletion.

Assets acquired under finance lease are amortized over their estimated useful life or the lease term, whichever is lower.



MICROLAND LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS | UNAUDITED|
(Rs. in lakhs, except share and per share data, unless otherwise stated)

2.3 Fixed assets and depreciation (continued)

Property, plant and equipment (continued)

Advances paid towards the acquisition of fixed assets, outstanding at each balance sheet date are shown under capital advances. The cost of the property, plant and equipment not ready for its intended use on such date, is disclosed under capital work-in-progress.

Intangible assets

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortization and any accumulated impairment loss.

Intangible assets are amortized in the statement of profit and loss over their estimated useful lives of two years, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset.

2.4 Impairment of asset

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined; if no impairment loss had been recognized.

2.5 Investments

Investments are classified into current and non-current investments. Current investments are stated at the lower of cost and fair value. Non-current investments are stated at cost. A provision for diminution is made to recognize a decline, other than temporary, separately for each individual non-current investments.

Investments that are readily realizable and are intended to be held for not more than one year from the date on which such investments are made, are classified as "Current investments".

All other investments are classified as "Non-current investments".

Profit or loss on sale of investments is determined as the difference between the sale price and carrying value of investment, determined individually for each investment.

2.6 Revenue recognition

Services

The Company derives its revenues primarily from Information Technology (IT) services. Revenue from IT services on time-and-material basis is recognized as the related services are rendered.

Revenue from fixed price contracts is recognized using the proportionate completion method, which is determined by relating the actual project cost of work performed to date to the estimated total project cost for each contract. Provision for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the current contract estimates.

Revenue from device management is recognized ratably over the period of the contract and is recognized on basis of devices serviced at the rate applicable for such respective devices.

Revenue from maintenance contracts is recognized ratably over the period of the maintenance contract and is recognized on a straight-line basis over the specified period.

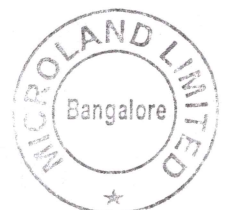
Unbilled revenue, disclosed in the standalone financial statements under other current assets, represents earnings in excess of billings as at the balance sheet date. Unearned income, disclosed in the standalone financial statements under other current liabilities, represents billings in excess of earnings.

Amount received towards services are reported as advances from customers under current liabilities until all the conditions of revenue recognition are met.

Provision for discounts is recognized on an accrual basis in accordance with contractual terms of agreements with customers. Revenues are stated net of discount.

Other Income

Interest is recognized using the time-proportion method, based on rates implicit in the transaction. Dividend income is recognized when the Company's right to receive dividend is established.



MICROLAND LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS [UNAUDITED]
(Rs. in lakhs, except share and per share data, unless otherwise stated)

2.7 Foreign exchange transactions

Foreign exchange transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss for the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognized in the statement of profit and loss. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

In respect of integral operations, monetary assets and liabilities are translated at the exchange rate prevailing at the date of the balance sheet. Non-monetary items are translated at the historical rate. The items in the statement of profit and loss are translated at the rates prevailing on the dates of the respective transactions. The differences arising out of the translation are recognized in the statement of profit and loss.

The Company is exposed to foreign currency transactions including foreign currency revenues and receivables. With a view to minimize the volatility arising from fluctuations in currency rates, the Company enters into foreign exchange forward contracts.

The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/liability, is amortized as an expense or income over the life of the contract. Exchange differences on such a contract are recognized in the statement of profit and loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract are recognized as income or as expense for the period.

The Company also enters into forward exchange contracts on account of firm commitment/highly probable transactions. The Company has adopted the principles of the "Guidance Note on Accounting for Derivative Contracts" issued by the Institute of Chartered Accountants of India (ICAI). Accordingly, derivatives are marked to market and the changes in the value of such derivatives, to the extent they reflect a gain/loss, are recognized in statement of profit and loss.

2.8 Employee benefits

Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by employees.

Post-employment benefits

Defined benefit plans

In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan (Gratuity Plan) covering all employees. The Gratuity plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the Company. The Company makes contribution towards gratuity into an approved gratuity fund administered by Life Insurance Corporation ("Insurer"). Gratuity is accrued based on an actuarial valuation at the balance sheet date, carried out by an independent actuary. Actuarial gain and losses are charged to the statement of profit and loss.

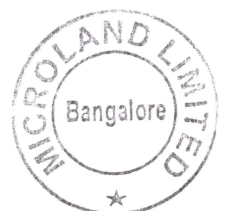
Employees receive benefits from a provident fund. The employee and employer each make monthly contributions to the plan. A portion of the contribution is made to the provident fund trust managed by the Company, while the remainder of the contribution is made to the Government's provident fund. The Company is generally liable for any shortfall in the fund assets based on the government specified minimum rate of return.

Compensated absences

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

2.9 Operating leases

Assets acquired under leases other than finance leases are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the statement of profit and loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit. Initial direct costs incurred specifically for an operating lease are deferred and charged to the statement of profit and loss over the lease term.



MICROLAND LIMITED**NOTES TO THE STANDALONE FINANCIAL STATEMENTS | UNAUDITED**

(Rs. in lakhs, except share and per share data, unless otherwise stated)

2.10 Income taxes

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). Income-tax expense is recognized in the statement of profit or loss.

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws. Deferred tax is recognized in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

In the current financial year, the Company elected to exercise the option permitted under section 115BAA(1) of the Income-tax Act, 1961 after satisfying the conditions contained in section 115BAA(2) as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognized provision for income tax for the year ended 31 March 2020 and computed deferred tax based on the rate prescribed in the said section. Further, upon adoption of this option, the provisions of MAT and tax benefits from SEZs are not applicable/available to the Company.

Hitherto, for operations carried out in SEZs, deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Similarly, Minimum Alternative Tax ("MAT") paid in accordance with the tax laws which gives rise to future economic benefits in the form of adjustments of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax in subsequent years. MAT credit entitlement can be carried forward and utilized for a period of fifteen years from the year in which the same is availed. Accordingly, it is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably. On exercise of the option mentioned above, the MAT credit available from earlier years has been reversed in the current year.

2.11 Provision and contingent liabilities

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

2.12 Earnings per share

In determining earnings per share, the Company considers the net profit after tax and includes the post-tax effect of any extra-ordinary item. The number of equity shares used in computing basic earnings per share is the weighted average number of equity shares outstanding during the year. The number of equity shares used in computing diluted earnings per share comprises weighted average number of equity shares considered for deriving basic earnings per share and also weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

2.13 Employee stock based compensation

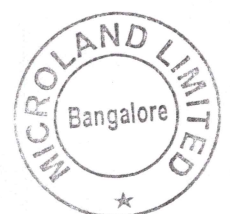
The Company measures the compensation cost relating to employee stock options using the intrinsic value method. The compensation cost is amortized on a graded vesting method, over the vesting/ service period.

2.14 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

2.15 Cash and cash equivalents

Cash and cash equivalents comprises cash in hand and balance in bank in current accounts and deposit accounts.



MICROLAND LIMITED**NOTES TO THE STANDALONE FINANCIAL STATEMENTS [UNAUDITED]**

(Rs. in lakhs, except share and per share data, unless otherwise stated)

3.1 Share capital	As at 31 Dec 2021
Authorised :	
220,000,000 (Previous year - 220,000,000) Equity Shares of Re.1 each	2,200
53,000,000 (Previous year - 53,000,000) 0.01% non cumulative convertible/ redeemable series A preference shares of Rs.10 each	5,300
	<u>7,500</u>
Issued, subscribed and fully paid up:	
140,529,550 (previous year - 140,407,550) Equity shares of Re.1 each, fully paid up	1,405.30
Total share capital	<u><u>1,405</u></u>

(a) Reconciliation of number of shares**Equity shares:**

Particulars	As at 31 Dec 2021	
	Number of shares	Amount
Balance as at the beginning of the year	140,457,550	1,405
Shares issued during the year	72,000	1 *
Balance as at the end of the year	<u>140,529,550</u>	<u>1,405</u>

*Less than one lakh

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**Equity shares:**

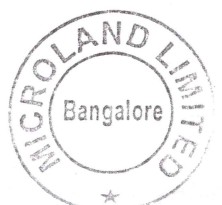
Name of the shareholder	As at 31 Dec 2021	
	Number of shares	% of holding
Pradeep Kar	39,669,810	28.23%
Microin Service Pvt Limited	49,224,587	35.03%
Innerframe Service Pvt Limited	26,426,820	18.84%

3.2 Reserves and surplus**Capital Redemption Reserve**

Balance as at the beginning of the year	5,098
Add : Transfer from general reserve	-
	<u>5,098</u>

Securities premium account

Balance as at the beginning of the year	14
Add : on exercise of employee stock options	6
Share application money received	-
Less : Redemption of preference shares	-
	<u>20</u>



MICROLAND LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS [UNAUDITED]
(Rs. in lakhs, except share and per share data, unless otherwise stated)

Surplus/(deficit) from statement of profit and loss	
Balance at the beginning of the year	25,090
Add : Profit for the year	7,173
	<u>32,263</u>
Total reserves and surplus	<u><u>37,382</u></u>

3.3 Long-term borrowings **As at 31 Dec 2021**

Secured:

Obligation under finance lease	86
	<u>86</u>

3.7.2 Trade payables **As at 31 Dec 2021**

Trade payable	
Dues to Micro and Small Enterprises (refer note 3.27)	-
Dues to Others	491
Total	<u><u>491</u></u>

3.8 Other current liabilities **As at 31 Dec 2021**

Unearned revenue	612
Other payables	
Statutory liabilities	1,813
Employee related	4,259
Advance from customers	115
Accrued expenses	8,570
Total	<u><u>15,369</u></u>

3.9 Short-term provisions **As at 31 Dec 2021**

Provision for employee benefits:	
Gratuity	280
Compensated absences	2,041
Total	<u><u>2,321</u></u>



MICROLAND LIMITED**NOTES TO THE STANDALONE FINANCIAL STATEMENTS [UNAUDITED]**

(Rs. in lakhs, except share and per share data, unless otherwise stated)

3.11 Non-current investments	As at 31 Dec 2021
(valued at cost, unless otherwise stated)	
Non-trade - unquoted	
16,939 (2021: 16,939) equity shares of Re.1 each, fully paid up in Ignitee Digital Solutions Private Limited [Net of provision for other than temporary diminution aggregating to Rs.15.24 (2021: Rs. 15.24)]	7
Microland Inc, USA 1,000 common stock of USD 10 each, fully paid up	8
Total	15
* - value is less than a lakh	
3.12 Long-term loans and advances	As at 31 Dec 2021
<i>Unsecured, considered good (unless otherwise stated)</i>	
Security deposit	887
Other loans and advances	-
- Balances with government authorities	-
- Advance tax and tax deducted at source, net of provision for taxes	1,853
- Service tax paid under dispute	0
- Sales tax appeal deposits	11
less: provision for sales tax dispute	-11
Total	2,741
3.13 Other non current assets	As at 31 Dec 2021
<i>Unsecured, considered good (unless otherwise stated)</i>	
Provision for mark-to-market gain on derivatives	104
Total	104
3.14 Current investments	As at 31 Dec 2021
Unquoted	
(At cost or market value, unless otherwise stated)	
Investments in Securities	10,969
Reliance liquid fund - treasury plan - 7,422 units (2021: 7,072 units)	0.00
Total	10,969



MICROLAND LIMITED**NOTES TO THE STANDALONE FINANCIAL STATEMENTS [UNAUDITED]**

(Rs. in lakhs, except share and per share data, unless otherwise stated)

3.15 Trade receivables	As at 31 Dec 2021
Unsecured:	
Over six months from the date they were due for payment	
Considered good	-
Considered doubtful	210
	<u>210</u>
Less : Provision for doubtful debts	<u>(210)</u>
	<u>-</u>
Other receivables	22,223
Considered doubtful	-
	<u>22,223</u>
Less : Provision for doubtful debts	-
Total	<u><u>22,223</u></u>
 3.16 Cash and bank balances	 As at 31 Dec 2021
Cash and cash equivalents	
Balances with banks	
In current accounts	4,308
Cash on hand	0.34
	<u>4,309</u>
Other bank balances	
Deposit accounts with more than 3 months but less than 12 months maturity	4,566
Total	<u><u>8,875</u></u>



3.17 Short-term loans and advances

As at 31 Dec 2021

To parties other than related parties*Unsecured, considered good*

Loans and advances to employees	85
Advances to suppliers	661
Prepaid expenses	1,345
Loan to subsidiary	-
Microland International SA	248
Less : Provision for doubtful advances	(248)
Total	2,091

3.18 Other current assets

As at 31 Dec 2021

Unsecured, considered good (unless otherwise stated)

Interest accrued on deposits	133
Interest accrued on bonds	142
Receivables from subsidiary	789
Unbilled revenue	5,572
Provision for mark-to-market gain on derivatives	321
Indirect tax receivable (net)	25
Total	6,982



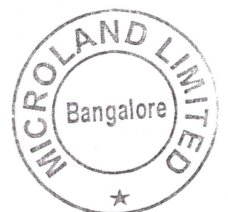
MICROLAND LIMITED**NOTES TO THE STANDALONE FINANCIAL STATEMENTS [UNAUDITED]**

(Rs. in lakhs, except share and per share data, unless otherwise stated)

3.19 Revenue from operations	For the period ended 31 Dec 2021
Income from Services	69,899
Income from product sales	5,522
	<u>75,421</u>
	<u>75,421</u>
3.20 Other income	For the period ended 31 Dec 2021
Interest income on fixed deposits	151
Income from investments - dividend	362
Exchange gain (net)	761
Miscellaneous income	756
Total	<u>2,030</u>
	<u>2,030</u>
3.21 Purchases of stock in trade	For the period ended 31 Dec 2021
Purchases of traded goods - Software subscription	4,473
Total	<u>4,473</u>
	<u>4,473</u>
3.22 Employee benefits expense	For the period ended 31 Dec 2021
Salaries and wages	45,820
Contributions to provident and other funds	2,339
Staff welfare expenses	1,980
Total	<u>50,138</u>
	<u>50,138</u>



	For the period ended 31 Dec 2021
3.23 Finance costs	
Interest expense	59
Total	<u><u>59</u></u>
	For the period ended 31 Dec 2021
3.24 Other expenses	
Subcontractor charges	4,244
Rent	1,580
Travelling and conveyance	590
Communication	536
Power and fuel	180
Legal and professional charges	4,089
Repairs and maintenance	
- others	520
Insurance	104
Rates and taxes	170
Advertisement and promotion	315
Printing and stationery	5
Bank charges	45
Provision/(reversal) for doubtful debts	192
Corporate social responsibility expenses	117
Loss on sale of fixed assets	4
House keeping and security service charges	309
Miscellaneous expenses	262
Total	<u><u>13,262</u></u>



IN THE NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH, BENGALURU
(Through web-based video conferencing platform)

CA (CAA) No.55/BB/2021
U/s. 230 to 232 of the Companies Act, 2013
R/w Rule 3 of the Companies (CAA) Rules, 2016 and
Rule 11 of the NCLT Rules, 2016

IN THE MATTER OF:

M/s MICROIN SERVICES PRIVATE LIMITED

862C, 13th Main, Koramangala,
Block 3, Bengaluru- 560034
Karnataka, India.

-Applicant Company No.1 /Transferor Company No.1

AND

M/s INNERFRAME SERVICES PRIVATE LIMITED

862/C, 'PRAANA', 13th Main,
3rd Block, Koramangala, Bengaluru- 560034,
Karnataka, India

- Applicant Company No. 2 /Transferor Company No.2

AND

M/s MICROLAND LIMITED

1B, RMZ Ecospace,
Bellandur Outer Ring Road,
Bengaluru- 560103,
Karnataka, India

-Applicant Company No. 3/ Transferee Company

Order delivered on: 15th March, 2022

Coram: 1. Hon'ble Shri. Ajay Kumar Vatsavayi, Member (Judicial)
2. Hon'ble Shri. Manoj Kumar Dubey, Member (Technical)

Present:

For the Applicant Companies : Shri. Naman G Joshi, PCS

CA (CAA) No.55/BB/2021
(First Motion)

— sd —

ORDER

Per: Ajay Kumar Vatsavayi, Member (Judicial)

1. The present joint Application is filed by Microin Services Private Limited (described in short as 'Applicant Company No.1/Transferor Company No.1) and Innerframe Services Private Limited (described in short as 'Applicant Company No.2/Transferor Company No.2) and Microland Limited (described in short as 'Applicant Company No.3/Transferee Company') under Sections 230 to 232 of the Companies Act, 2013 and Rule 3 of the Companies (CAA) Rules, 2016 r/w Rule 11 of NCLT, Rules 2016 seeking to dispense with convening the meeting of the Equity Shareholders, Secured and Unsecured Creditors of the Transferor Companies, as consent from Shareholders and Secured and Unsecured Creditors for the proposed Scheme of Amalgamation is obtained, and seeking for the convening of the meeting of the Shareholders and Secured and Unsecured Creditors of the Transferee Company.
2. The Scheme of Amalgamation (for short the 'Scheme') of Microin Service Private Limited and Innerframe Services Private Limited with Microland Limited has been placed on record at Annexure J of the Application.
3. The Applicant Company No 1 is a private limited company incorporated on December 20, 2019 under the Provisions of the Companies Act, 2013 before the Registrar of Companies, Karnataka. The Transferor Company No.1 was incorporated with the following objects : to establish, design, develop, maintain, organize consulting services, trainings and products covering all branches of services including management, commercial, business, information technology, legal, engineering, data processing, communication and other technological social or other services and products. The copy of Certificate of Incorporation dated 21.12.2019 issued by the Registrar of Companies, Karnataka and Memorandum and Articles of Association is found attached as Annexure A of the Application. As per the Memorandum of Association, the main objects of Applicant Company No.1 is as follows:

CA (CAA) No.55/BB/2021
(First Motion)

— sd —

- (i) *“To be in the business of providing Management Consultancy in areas of business operations, process analysis, strategy development and operational improvement services.*
- (ii) *To establish, design, develop, maintain, organize, conduct, provide, procure or make available consulting services, trainings, coaching programs and products in and outside of India covering all branches of services including management, commercial, business, statistical, financial, accountancy, information technology, medical, legal, educational, engineering, data processing, communication and other technological social or other services and products towards designing, building and managing business process, technology and people to enable good business outcomes.”*
4. The authorised share capital of the Applicant Company No.1 is Rs.1,00,000/- (Rupees One Lakh only) divided into 10,000 equity shares of Rs. 10 each and the issued, subscribed and paid-up share capital of the Applicant Company No.1 is Rs. 1,00,000/- (Rupees One Lakhs Only) divided into 10,000 equity shares of Rs. 10/- each, fully paid up.
5. The Applicant Company No.2 is a private limited company incorporated on November 12, 2020 under the provisions of the Companies Act, 2013 before the Registrar of Companies, Karnataka. The Transferor Company No.2 was incorporated with the following objects: to establish, design, develop, maintain, organize consulting services, trainings and products in areas of business operations, process analysis, strategy development and operational improvement services. The copy of Certificate of Incorporation dated 12.11.2020 issued by Registrar of Companies, Karnataka and Memorandum and Articles of Association of Association of Applicant Company No.2 is found attached at Annexure C of the Application. As per the Memorandum of Association, the main object of the Applicant Company No.2 is as follows:
- (i) *“To establish, design, develop, maintain, organize, conduct, provide, procure or make available consulting services, trainings, coaching*

programs and products in the area of business operations process analysis, strategy development and operational improvement services, in and outside of India.

- (ii) *To be in the business of providing Management Consultancy services covering all branches of services including management, commercial, business, statistical, financial, accountancy, information technology, medical, legal, educational, engineering, data processing, communication and other technological social or other services and products towards designing, building and managing business process, technology and people to enable good business outcomes”.*

6. The authorised share capital of the Applicant Company No.2 is Rs.1,00,000/- (Rupees One Lakhs only) divided into 10,000 equity shares of Rs. 10/- each and the issued, subscribed and paid-up share capital of the Applicant Company No.2 is Rs. 1,00,000/- (Rupees One Lakhs only) divided into 10,000 equity shares of Rs. 10/- each, fully paid up.
7. The Transferee Company is an unlisted public company incorporated on April 20, 1989 as ‘*Microland Electronics Private Limited*’ with the Registrar of Companies, Tamil Nadu under the provisions of the Companies Act, 1956. Subsequently, the name of the Transferee Company was changed to ‘*Microland Electronics Limited*’ and then to ‘*Microland Limited*’ vide fresh Certificate Of Incorporation dated 29.10.1990 and 30.11.1992 respectively issued by ROC, Tamil Nadu. Further, the registered office of the Transferee Company was shifted from the State of Tamil Nadu to the State of Karnataka vide Certificate of Registration dated 18.06.1993 issued by ROC, Karnataka. The Transferee Company is duly existing under the Companies Act, 2013. The Transferee Company primarily carries on the business as a developer of software for computer applications used in microcomputer, minicomputer and communication environments. The copy of the Certificate of Incorporation dated 18.06.1993 issued by the Registrar of Companies, Karnataka and Memorandum of Association and Articles of Association of

the Transferee Company is found attached as Annexure E of the Application. As per the Memorandum of Association, the main objects of Transferee Company is as follows:

- (i) *“To carry on business as developers of software for computer applications used in Micro Computer, Minicomputers and Mainframe Computer Installations, including Networking and communication environments.*
- (ii) *To be in the business of providing total computer solutions involving Consultancy, System Study, Selection of Computer Hardware and Software, Software Development, Computer Training, Computer Maintenance and other services.*
- (iii) *To provide a wide range of Computer related services including Data Processing, Hiring/Leasing of Computer Equipment, Desk Top Publishing, Computer Graphics and Presentation Graphics, Computer Communication including telex interfaces, fax services etc.*
- (iv) *To be in the business of manufacture of Computer Equipment, components etc.*
- (v) *To act as Distributors/Dealers of Computers, Computer Peripherals, Computer Accessories, Software, Training, Material, Components, Spare Parts and other Electronics items.”*

8. The authorized share capital of the Transferee Company is Rs.75,00,00,000/- (Rupees Seventy Five Crores Only) comprising of 22,00,00,000 (Twenty Two Crores Only) Equity shares of Re.1 each (Rupee One only) and 5,30,00,000 (Five Crore Thirty Lakhs Only) 0.01% non-cumulative convertible or redeemable Series A preference shares of Rs.10/- each (Rupees Ten Only). The issued, subscribed and paid up capital of the Transferee Company is Rs. 14,05,19,550/- (Rupees Fourteen Crores Five Lacs Nineteen Thousand Five Hundred Fifty Only) comprising of 14,05,19,550 Equity shares of Re. 1 each.

9. The preamble of the proposed Scheme is at Annexure-J of this Application and the same reads as under:-

“(A) **PREAMBLE**

This Scheme of Amalgamation (“the Scheme”) is presented pursuant to Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, (including any statutory modification or re-enactment thereof, for the time being in force) for amalgamation of Microin Services Private Limited (“Microin or Transferor Company 1”) and Innerframe Services Private Limited (“Innerframe or Transferor Company2”) with Microland Limited (“Microland or Transferee Company”). The Scheme also provides for various other matters consequential to or otherwise integrally connected herewith.”

10. The Board of Directors of the Transferor Companies 1 and 2 has unanimously approved the Scheme vide respective Board Resolutions dated 05.10.2021 and the Board of Directors of the Transferee Company has approved the Scheme vide Board Resolution dated 02.10.2021, subject to the sanctioning of the same by this Tribunal. The aforesaid Board Resolutions of the Transferor Companies and Transferee Company is at Annexure- G, H and I respectively of the Application.
11. The instant Application has been filed with prayer for dispensing with the meeting of the Shareholders, Secured and Unsecured Creditors of the Transferor Companies and to convene the meeting of Shareholders, Secured and Unsecured Creditors of the Transferee Company, with the following requirements:
- (i) *Dispense with convening a meeting of the shareholders of the Transferor Companies for the purpose of considering the proposed Scheme;*
 - (ii) *Dispense with convening a meeting of the Secured Creditors of the Transferor Company 1 and Transferor Company 2 outstanding on*

September 7, 2021 and August 31, 2021 respectively for the purpose of considering the proposed Scheme;

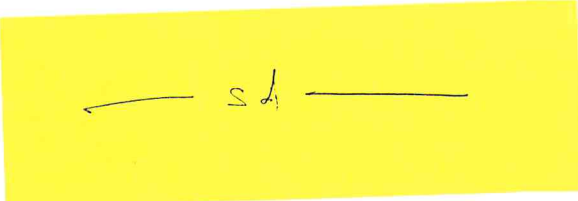
- (iii) Dispense with convening a meeting of the Unsecured Creditors of the Transferor Company 1 and Transferor Company 2 outstanding on September 7, 2021 and August 31, 2021 respectively for the purpose of considering the proposed Scheme ;
- (iv) Direct holding a meeting of the shareholders of the Transferee Company for the purpose of considering the proposed Scheme;
- (v) Direct holding a meeting of the secured creditors of the Transferee Company outstanding on August 31, 2021 for the purpose of considering the proposed Scheme;
- (vi) Direct holding a meeting of the unsecured creditors of the Transferee Company outstanding on August 31, 2021 as reduced by repayments made upto September 30, 2021 for the purpose of considering the proposed Scheme;
- (vii) Pass such other orders as are deemed fit and proper in the circumstances of the case.
- (viii) Direct to give notice of merger by publication in newspaper listed below
1. English Language Newspaper- Business Standard
 2. Vernacular Language Newspaper- Kannada Prabha

12. The Learned Counsel for the Applicant Companies has submitted that as per Certificate dated 07.10.2021 (Annexure K and L of the Application) issued by M/s. S. Srinivasan, Chartered Accountants, the number of equity shareholders of the Transferor Company 1 and Transferor Company 2 as on August 31, 2021 is 2 (Two) each. The details are given below:

Sr. No.	Particulars	Number of Shares (of INR 10 each)	Percentage of Holding
A	Equity Shareholders		

	- Pradeep Kar	9,999	99.99
	- Kalpana Kar	1	0.01
B	Preference Shareholders	Nil	Nil
	Total number of Shareholders	2	100

- 13.** The Learned Counsel for the Applicant Companies submitted that the 2 (Two) Equity Shareholders of both the Transferor Company 1 and Transferor Company 2, constituting 100% in value has given their consent to the proposed scheme of Amalgamation and for the dispensation of the meetings of the equity shareholders. The consent affidavits dated 22.10.2021 given by equity shareholders of both the Transferor Companies is found attached at Annexure K and L of the Application.
- 14.** The Learned Counsel for the Applicant Companies submitted that as per Certificate dated 13.10.2021 issued by M/s S. Srinivasan, Chartered Accountant, there is only 1 (One) Secured Creditor and 1 (One) Unsecured Creditor for the Transferor Company 1 as on 07.09.2021 and both the Secured and Unsecured Creditor of the Transferor Company 1 has given its consent for the proposed Scheme of Amalgamation and for the dispensation of meeting of the Secured and Unsecured Creditors of the Transferor Company 1. The CA Certificate confirming the list of Secured and Unsecured Creditors and the consent affidavit of both the Secured and Unsecured Creditors are found attached at Annexure M of the Application.
- 15.** The Learned Counsel for the Applicant Companies submitted that as per Certificate dated 07.10.2021 issued by M/s S. Srinivasan, Chartered Accountant, there is only 1 (One) Secured Creditor and 2 (Two) Unsecured Creditors for Transferor Company 2 as on 31.08.2021 and the consent from the sole Secured Creditor and 2 (Two) Unsecured Creditors for the proposed Scheme of Amalgamation and for the dispensation of meeting of the Secured



and Unsecured Creditors is obtained. The CA Certificate confirming the list of Secured and Unsecured Creditors and the consent affidavit from both the Creditors are found attached at Annexure N of the Application.

- 16.** The Learned Counsel for the Applicant Companies further submits that as per Certificate dated 07.10.2021 (Annexure O of the Application) issued by M/s S. Srinivasan, Chartered Accountant, there are 490 (Four Hundred Ninety) Equity Shareholders for the Transferee Company as on 31.08.2021. It is further submitted that as per certificate dated 26.02.2022 (Diary No. 802) issued by M/s S. Srinivasan, Chartered Accountant, there are 2 (Two) Secured Creditors as on 31.08.2021 amounting to Rs. 6,94,95,156/- (Rupees Six Crores Ninety Four Lacs Ninety Five Thousand One Hundred Fifty Six Only) and there are 138 (One Thirty Eight) Unsecured Creditors as on 31.08.2021 amounting to Rs. 6,45,60,983/- (Rupees Six Crore Forty Five Lacs Sixty Thousand Nine Hundred Eighty Three Only). It is submitted that out of the above Unsecured Creditors, the company has made payment amounting to Rs. 6,23,68,563/- (Rupees Six Crore Twenty Three Lacs Sixty Eight Thousand Five Hundred Sixty Three Only) till 31.12.2021 to 128 (One Twenty Eight) Unsecured Creditors, reducing the outstanding Unsecured Creditors to 10 (Ten) amounting to Rs. 21,92,420/- (Rupees Twenty One Lacs Ninety Two Thousand Four Hundred Twenty Only).
- 17.** The Reduction of Share Capital as envisaged in the Scheme of Amalgamation (Para 15) is as Follows:
- a. *Upon the scheme being effective, all the equity shares held by the Transferor Company 1 in the Transferee Company shall stand cancelled or extinguished without any further act or deed without any payment or consideration and no shares of the Transferee Company shall be issued in lieu thereof to that extent. Accordingly, the share capital of the Transferee Company shall stand cancelled or extinguished to the extent*

of face value of shares held by the Transferor Company 1 in the Transferee Company.

b. *The reduction in the share capital of the Transferee Company as contemplated in the above clause shall be effected as an integral part of this scheme in accordance with the provisions of section 230 to section 232 of the Act. The order of the NCLT sanctioning this scheme shall also include approval and confirmation of the reduction of share capital of the Transferee Company.*

- 18.** The Learned Counsel for the Applicant Companies submits that the Certificates of the auditor has been filed stating that the Accounting Treatment specified in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Act. The aforesaid Certificate dated 07.10.2021 is attached as Annexure – Q, R and S of the Application.
- 19.** The Applicant Companies has filed a separate affidavit vide diary No. 3264 dated 29.11.2021 stating that the Applicant Companies has not opted for or undertaken any Scheme of Corporate Debt Restructuring. And also stated that there is no Sectoral Regulators for the Applicant Companies.
- 20.** The Learned Counsel for the Applicant Companies filed affidavit vide diary No. 3403 dated 06.12.2021 stating that there are no pending legal proceedings on the Applicant Companies.
- 21.** The Rationale of Scheme as given in the preamble of the Scheme is as follows:

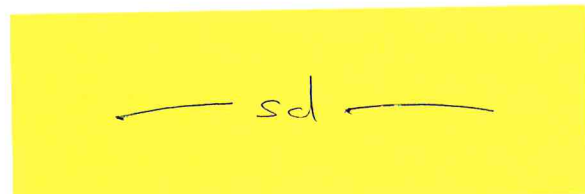
“It is expected that the integration, consolidation and amalgamation of the Transferor Companies with the Transferee Company would, inter-alia entail the following benefits:

- (i) *Achieve greater integration and greater financial strength and flexibility for the combined entity leading to stronger negotiation power in the market and strengthened leadership in the industry;*

- (ii) *Achieve greater efficiency in cash management and unfettered access to large cash flows, effective and centralized management of funds generated by the combined business which can be deployed more efficiently to fund larger projects with a stronger platform and strengthen brand visibility;*
- (iii) *Achieve business growth in a more advantageous manner by combining all the business undertaken by the Parties into one and thereby provide an integrated offering to stakeholders as well as external customers/agencies;*
- (iv) *Achieve cost savings on account of reduction of various statutory and regulatory compliances, elimination of arm's length margins, standardization and simplification of business processes, elimination of duplication and rationalization of administrative expenses and simplification of structure;*
- (v) *Achieve administrative efficiency through better or centralized control over ongoing and future tax compliances/litigation under various tax laws, corporate laws and exchange control regulations; and*
- (vi) *The amalgamation will lead to the formation of a stronger entity having greater capacity for conducting its operations more efficiently and competitively."*

22. The Learned Counsel for the Applicant Companies further submitted that the Transferor Company 1 has filed its unaudited balance sheet as on 31.08.2021 and Audited balance sheet as on 31.03.2020. The Unaudited and Audited balance sheet are found attached at Annexure B of the Application. The Transferor Company 2 has also filed its unaudited balance sheet as on 31.08.2021 which is marked as Annexure D of the Application. The copy of unaudited financial statement of the Transferee Company as on 31.12.2021 is produced as Annexure I in Diary No: 802. The audited balance sheet as on 31.03.2021 of the Transferee Company is attached as Annexure F of the Application.

- 23.** Clause 10.1 of the Scheme states that, all the executives, staff, workmen, and other employees, if any, in the service of the Transferor Company 1 as on the Effective Date shall become the executives, staff, workmen, and other employees of the Transferee Company, and, subject to the provisions hereof, on terms and conditions not less favourable than those on which they are engaged by the Transferor Company 1, without any interruption or break of service as a result of the amalgamation of Transferor Company 1 into the Transferee company. The Transferee Company further agrees that for purpose of payment of any retrenchment compensation, if any, such past services with the Transferor Company 1 shall also be taken into account.
- 24.** Clause 23.1 of the Scheme states that, all the executives, staff, workmen, and other employees, if any, in the service of the Transferor Company 2 as on the Effective Date shall become the executives, staff, workmen, and other employees of the Transferee Company, and, subject to the provisions hereof, on terms and conditions not less favourable than those on which they are engaged by the Transferor Company 2, without any interruption or break of services as a result of the Amalgamation of Transferor Company 2 into the Transferee Company. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, if any, such past services with the Transferor Company 2 shall also be taken into account.
- 25.** On 20.12.2021 the Tribunal observed that the Applicant Company No.1 has fixed the Appointed Date as 30.04.2021, whereas, the Applicant Company No.2 and the Applicant Company No. 3 fixed the Appointed Date as 31.08.2021. That means two different appointed dates were given in the same scheme. The Learned Counsel in response to the observations made by the Tribunal had filed a compliance memo vide diary No. 3673 dated 20.12.2021 in which the counsel produced the Copy of General Circular No. 09/2019 issued by Government of India, Ministry of Corporate Affairs wherein a clarification to section 232(6) of the Companies Act,2013 is produced. The relevant provisions in the circular are enumerated below:



“(a) The provisions of section 232(6) of the Act enables the companies in question to choose and state in the scheme an ‘Appointed date’. This date may be a specific calendar date or may be tied to the occurrence of an event such as grant of license by a competent authority or fulfilment of any preconditions agreed upon by the parties, or meeting any other requirement as agreed upon between the parties etc., which are relevant to the scheme.

(b) The ‘appointed date’ identified under the scheme shall also be deemed to be the ‘acquisition date’ and date of transfer of control for the purpose of conforming to accounting standards (including Ind-AS 103 Business Combinations).

(c) Where the ‘appointed date’ is chosen as a specific calendar date, it might precede the date of filing of the application for scheme of merger/amalgamation in NCLT. However, if the ‘appointed date’ is significantly ante-dated beyond a year from the date of filing, the justification for the same would have to be specifically brought out in the scheme and it should not be against public interest.

(d) The scheme may identify the ‘appointed date’ based on the occurrence of a trigger event which is key to the proposed scheme and agreed upon by the parties to the scheme. This event would have to be indicated in the scheme itself upon occurrence of which the scheme would become effective. However in case of such event based date being a date subsequent to the date of filing the order with the Registrar under section 232(5), the company shall file an intimation of the same with the Registrar under section 232(5), the company shall file an intimation of the same with Registrar within 30 days of such scheme coming into force.”

- 26.** The Learned Counsel has also placed reliance on the judgment of National Company Law Tribunal, Mumbai Bench *“in the matter of Composite Scheme Arrangement Amongst (i) IIFL holdings Limited;(ii) India Infoline Media &*

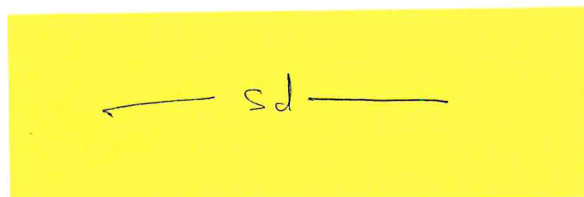
Research Services Limited;(iii) *IIFL Securities Limited;* (iv) *IIFL Wealth Management Limited;* (v) *India Infoline Finance Limited;* AND (vi) *IIFL Distribution services Limited and Their Respective Shareholders*” wherein the Hon’ble Tribunal sanctioned the Scheme of arrangement with two different appointed dates fixed for Part II of the Scheme and for all other parts of the Scheme.

- 27.** The Learned Counsel has also produced the judgment of National Company Law Tribunal, Mumbai Bench “*in the matter of Scheme of Amalgamation of RSB Castings Limited and SSA Consultants Private Limited with RSB Transmissions (I) Ltd*” wherein the Tribunal has sanctioned the Scheme of Amalgamation and fixed two different Appointed Dates.
- 28.** We have heard the learned Counsel for the Applicant Companies and have perused the records and the supporting documents/papers filed along with the “Scheme” contemplated by the Applicant Companies with the assistance of learned counsel for the Applicant Companies.
- 29.** In view of the above, following directions are issued with respect to dispensation of calling and convening the meeting of Equity Shareholders, Secured and Unsecured Creditors of the Transferor Company 1 and dispensation of calling and convening the meeting of Equity Shareholders, Secured and Unsecured Creditors of the Transferor Company 2 and directions are issued with respect to calling and convening of meetings of the Equity Shareholders, secured and unsecured Creditors of the Transferee Company as well as issuance of notices including by way of publication in newspaper which are as follows:
- (a) Since 2 Equity Shareholders of both the Transferor Company 1 and Transferor Company 2, constituting 100% in value have given consent to the Scheme, the meeting of the Equity Shareholders of the Transferor Companies is dispensed.

- (b) Since 1 Secured Creditor and 1 Unsecured Creditor of the Transferor Company 1 has given consent to the Scheme, the meeting of the Secured and Unsecured Creditors of the Transferor Company 1 is dispensed.
- (c) Since 1 Secured Creditor and 2 Unsecured Creditor of the Transferor Company 2 has given consent to the Scheme, the meeting of the Secured and Unsecured Creditors of the Transferor Company 2 is dispensed.
- (d) Meeting of the Equity Shareholders of the Transferee Company is to be convened on 06.05.2022 at 11.00 AM through Video Conferencing or Other Audio Visual Means (OAVM) as per the guidelines issued by MCA or physical meeting at 1B, RMZ Ecospace, Bellandur Outer Ring, Bengaluru 560103, Karnataka, subject to the notice of the meeting being issued through post or electronic mode. The quorum of the meeting of the Equity shareholders, shall be 40% in total value of the shareholders either personally present or through proxy.
- (e) Meeting of the Secured Creditors of the Transferee Company is to be convened on 06.05.2022 At 1.00 PM through Video Conferencing or Other Audio Visual Means (OAVM) as per the guidelines issued by MCA or physical meeting at 1B, RMZ Ecospace, Bellandur Outer Ring, Bengaluru 560103, Karnataka, subject to the notice of the meeting being issued through post or electronic mode. The quorum of the meeting of the Secured Creditors, shall be 40% in total value of the shareholders either personally present or through proxy.
- (f) Meeting of the Unsecured Creditors of the Transferee Company is to be convened on 06.05.2022 At 3.00 PM through Video Conferencing or Other Audio Visual Means (OAVM) as per the guidelines issued by MCA or physical meeting at 1B, RMZ Ecospace, Bellandur Outer Ring, Bengaluru 560103, Karnataka, subject to the notice of the meeting

being issued through post or electronic mode. The quorum of the meeting of the Unsecured Creditors, shall be 40% in total value of the shareholders either personally present or through proxy.

- (g) In case the required quorum as noted above for the meetings of the shareholders, secured and unsecured creditors of the Transferee Company is not present at the commencement of the meetings, the respective meetings shall be adjourned by 30 minutes, and thereafter, the persons present and voting shall be deemed to constitute the quorum. For the purpose of completing the quorum, the valid proxies and Authorized Representatives shall also be considered, if the proxy in the prescribed form, duly signed by the person entitled to attend and vote at the meeting, is filed through email or otherwise at the respective registered office of the Transferee Company. The Chairperson along with Scrutinizer shall ensure that the proxy register is properly maintained. The Scrutinizer is also duty bound to record all proceedings of the meeting conducted through Video Conference.
- (h) **Ms. Shoba Bhavikatti, Advocate** having address at LEGALIS, 308, 3rd Floor Brigade Towers, Brigade Road Bangalore 560025, Email ID shobha.legalis@gmail.com , Mobile No. 9845577623 is appointed as the Chairperson for the above meeting to be called for Equity Shareholders under this order. She shall be paid fee of Rs. 1,00,000/- for her services as the Chairperson. **Shri Hari Babu Thota, PCS** having address at #41/1, 2nd Floor, 11th Cross, 8th Main, 2nd Block, Jayanagar, Bengaluru 560011, Email ID csharibabuthota@gmail.com, Mobile No. 9740237291 is appointed as the Scrutinizer for the above meeting to be called for Equity Shareholders under this order. He shall be paid fee of Rs. 60,000/- for his services as the Scrutinizer.
- (i) Shri. **Amogh C.A, Advocate** having address at 407, Level 4, Prestige Center Point, #7, Edward Road, Bengaluru 560052, Email ID amogh.ca@cmalaw.co.in , Mobile No.9742426224 is appointed as the



Chairperson for the above meeting to be called for Secured Creditors under this order. He shall be paid fee of Rs. 50,000/- for his services as the Chairperson. **Shri. P. Sriram, PCS** having address at 12/49, Prashanthi Nilayam, 3rd Cross, Udani Layout, Cambridge Road, Halasuru, Bangalore 560008, Mobile No. 9940336666 is appointed as the Scrutinizer for the above meeting to be called for Secured Creditors under this order. He shall be paid fee of Rs. 30,000/- for his services as the Scrutinizer.

- (j) Shri. **Amogh C.A, Advocate** having address at 407, Level 4, Prestige Center Point, #7, Edward Road, Bengaluru 560052, Email ID amogh.ca@cmalaw.co.in , Mobile No. 9742426224 is appointed as the Chairperson for the above meeting to be called for Unsecured Creditors under this order. He shall be paid fee of Rs. 50,000/- for his services as the Chairperson. Shri. **Shri. P. Sriram, PCS** having address at 12/49, Prashanthi Nilayam, 3rd Cross, Udani Layout, Cambridge Road, Halasuru, Bangalore 560008, Mobile No. 9940336666 is appointed as the Scrutinizer for the above meeting to be called for Unsecured Creditors under this order. He shall be paid fee of Rs. 30,000/- for his services as the Scrutinizer.
- (k) It is further directed that individual notices of the said meeting shall be sent by the Transferee Company to the respective shareholders, secured and unsecured creditors through registered post or speed post or through courier or through electronic mode, 30 days in advance before the scheduled date of meeting, indicating the day, date, time and link to the meeting if meeting is conducted through Video Conference as aforesaid, together with a copy of the Scheme, copy of explanatory statement required to be sent under the Companies Act, 2013 and the applicable Rules, along with the proxy forms and any other documents as may be prescribed under the Act shall also be duly sent with the notice.

- (l) It is further directed that along with the notice Transferee Company shall also send statement explaining the effect of the Scheme on the shareholders and Creditors, key managerial personnel, promoters and non-promoter members etc., along with effect of the arrangement for amalgamation on any material interests of the Directors of the Company as provided under sub-section 3 of the Section 230 of the Act.
- (m) That the Transferee Company shall publish with a gap of at least 30 clear days before the aforesaid meetings, indicating the day, date, time and link of the meeting to be conducted through video Conference as aforesaid, to be published in "Business Standard" (English) and "Kannada Prabha" (Kannada), both in Karnataka Edition. It is to be stated in the advertisement that the copies of "Scheme", the Explanatory Statement required to be published pursuant to Section 230 to 232 of the Act and the form of proxy shall be provided free of charge at the registered office of the Transferee Company. The Transferee Company shall also publish the notice on its respective website, if any.
- (n) The Authorized Representative of the Transferee Company shall furnish affidavit of service of notice of meetings and publication of advertisement and compliance of all directions contained herein at least ten (10) days before the date of proposed meetings.
- (o) Voting shall be allowed on the "Scheme" in person or by proxy or through electronic means as may be applicable to the Transferee Company under the Act or there under.
- (p) The Chairperson shall be responsible to report the result of the meeting to the Tribunal in Form No.CAA 4, as per Rule 14 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 within 07 (seven) days of the conclusion of the meetings. He would be fully

assisted by the Authorized Representative/Company Secretary of the Transferee Company and the Scrutinizer, who will assist the Hon'ble Chairperson and Alternate Chairperson in preparing and finalizing the reports.

- (q) The Transferee Company shall individually and in compliance of sub-section (5) of section 230 and Rule 8 of the Companies (Compromises, Arrangement and Amalgamation) Rules, 2016 send notices in Form No. CAA 3 along with a copy of the Scheme, the Explanatory Statement and the disclosures mentioned in Rule 6 of the " Rules" to (i) the Central Government through the office of the Regional Director (South East Region); (ii) Concerned Registrar of Companies; (iii) Official Liquidator (iv) Nodal Officer of Income Tax Department having jurisdiction over the Applicant Company are assessed by mentioning their respective PAN Number; (v) Competition Commission of India (CCI) (vi) Reserve Bank of India (RBI) and other Sectoral Regulators/ Authorities, if any, stating that representations, if any, to be made by them shall be sent to the Tribunal within a period of 30 days from the date of receipt of such notice and copy of such representation shall simultaneously be sent to the concerned companies, failing which, it shall be presumed that they have no objection to the proposed Scheme.
- (r) The Transferee Company shall furnish copy of the Scheme free of charge within one day of any requisition for the "Scheme" made by any shareholder entitled to attend the aforesaid meetings.
- (s) It shall be the responsibility of the Transferee Company to ensure that the notices are sent under the signature and supervision of the authorized representative of the Company on the basis of Board Resolutions.
- (t) All the aforesaid directions are to be complied with strictly in accordance with the applicable laws including forms and formats



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contained in the "Rules" as well as the provisions of the Companies Act, 2013, by the Transferee Company.

30. With the aforesaid directions, this First Motion Application stands disposed of. A copy of this order be supplied to the learned Counsel for the Applicant Companies, who in turn shall supply copy of the same to the Chairpersons and the Scrutinizers.



(MANOJ KUMAR DUBEY)
MEMBER (TECHNICAL)



(AJAY KUMAR VATSAVAYI)
MEMBER (JUDICIAL)

Anjana S (LRA)