

SCHEME OF ARRANGEMENT

BETWEEN

EVOLUTIONARY SYSTEMS PRIVATE LIMITED

("ESPL")

AND

TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED

("TAISPL")

AND

MASTEK LIMITED

("MASTEK")

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

UNDER SECTION 230-232 AND OTHER APPLICABLE PROVISIONS OF COMPANIES ACT, 2013

A. PREAMBLE

This Scheme of Arrangement is presented under Sections 230 to 232 and other applicable provisions of Companies Act 2013 for the demerger of the Demerged Undertaking (*as defined hereinafter*) of Evolutionary Systems Private Limited (“**ESPL**” or “**Demerged Company**”) into Trans American Information Systems Private Limited (“**TAISPL**”) as per the terms and conditions mentioned herein (hereinafter referred to as the “**Scheme**”).

B. BACKGROUND OF THE COMPANIES

1. Evolutionary Systems Private Limited (“**ESPL**”) is:

- i. a private limited company incorporated under the provisions of the Companies Act 1956, bearing corporate identification number U17122GJ2006PTC049073 and having its registered office at 11th Floor, Kataria Arcade, Beside Adani Vidya Mandir School, S.G. Highway, Makarba, Ahmedabad- 380054, Gujarat, India; and
- ii. engaged in the business of enterprise package implementation, upgrade and support for on-premise and cloud versions from Oracle and includes procuring Oracle enterprise package license on their behalf of client along with implementation / upgrade services. Enterprise packages include enterprise resource planning, human capital management, client relationship management, business intelligence, business analytics and equivalents.

2. Trans American Information Systems Private Limited (“**TAISPL**”) is:

- i. a private limited company incorporated under the provisions of Companies Act, 1956, bearing corporate identification number U51505GJ1999PTC112745 and having its registered office at 804/805 President House, Opposite C N Vidyalaya, Near Ambawadi Circle, Ahmedabad Gujarat- 380006; and
- ii. a wholly owned subsidiary of Mastek Limited, engaged in the business of providing IT services in the areas like e-commerce website implementation, support, maintenance, and other complimentary services.

3. Mastek Limited (“**Mastek**”) is:

- i. a public limited company incorporated under the provisions of Companies Act, 1956, bearing corporate identification number L74140GJ1982PLC005215 and having its registered office at 804/805 President House, Opposite C N Vidyalaya, Near Ambawadi Circle, Ahmedabad, Gujarat - 380006; and
- ii. *inter alia*, engaged in the business of providing information technology solutions and a leading IT player with global operations providing enterprise solutions to government, retail and financial services organizations worldwide and the equity shares of Mastek are listed on the Stock Exchanges (*as defined hereinafter*).

C. RATIONALE OF THE SCHEME

1. The Demerged Company having interests in various businesses, through itself or through its subsidiaries, which has been nurtured over a period of time and has significant potential for growth. The Demerged Company is one of the leading and fastest-growing oracle cloud premier platinum partners and has proven expertise in all oracle solutions including ERP, HCM, Hyperion & BI, CX and PaaS through multiple success stories with marquee clients.
2. The Demerged Company has strong presence in India and in the rest of the world which include United States, Europe, Middle East and Asia and has customers in various verticals such as professional services, healthcare, financial services, public sector, life sciences, engineering and construction, etc. TAISPL and Mastek, on the other hand, have strong client relationships in India and aforesaid jurisdictions.
3. The proposed demerger of the Demerged Undertaking from the Demerged Company to the Resulting Companies pursuant to this Scheme is expected, *inter alia*, to result in:
 - i. more industry-specific value propositions and the local and global presence of the Demerged Company will enable rapid, cost-effective Oracle Cloud solutions across verticals.
 - ii. realisation of benefits of greater synergies between the businesses of the Demerged Company and Resulting Companies and use of the financial, managerial, technical and marketing resources of each other towards maximising stakeholder value;
 - iii. synergy of operations will result in incremental benefits through sustained availability and better procurement terms of components, pooling of resources, thus leading to better utilisation and avoidance of duplication;
 - iv. creation of focused platform for future growth of TAISPL and Mastek being engaged, among other things, in the business of Oracle Services Business;
 - v. opportunities for employees of the Demerged Company and TAISPL to grow in a wider field of business;
 - vi. improvement in competitive position and also achieving economies of scale including enhanced access to marketing networks/customers; and

The proposed Scheme is in the interest of the shareholders, creditors, employees, and other stakeholders in the Demerged Company and the Resulting Companies (*as defined as "Parties" hereinafter*).

D. PARTS OF THE SCHEME

This Scheme is divided into the following parts:

- i. Part I sets out the definitions, interpretation, share capital of all companies which are parties to the Scheme and date of taking effect of the Scheme;

- ii. Part II sets out the provisions for transfer and vesting of the Demerged Undertaking (*as defined hereunder*) as a *going concern* into the Resulting Companies (*as defined hereunder*) and discharge of consideration in lieu thereof, in compliance with Section 2(19AA) of Income Tax Act; and
- iii. Part III sets out the general terms and conditions that would be applicable to this Scheme.

PART I

DEFINITIONS, INTERPRETATION, SHARE CAPITAL AND DATE OF TAKING EFFECT OF THE SCHEME

1. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the meanings respectively assigned to them:

- 1.1 **“Act”** means the Companies Act, 2013, the rules made thereunder and will include any statutory amendment(s), modification(s) or re-enactment(s) thereof for the time being in force;
- 1.2 **“Affiliate”** means, in respect of any specified Person, any other Person directly or indirectly Controlling or Controlled by or under direct or indirect common Control with such specified Person. In case of natural Persons, Relatives of such Persons shall be deemed to be Affiliates of such natural Persons;
- 1.3 **“Appointed Date”** means opening of business hours of 1 February 2020 or such other date as may be mutually determined by the Parties and approved by the NCLT;
- 1.4 **“Applicable Law”** or **“Law”** means (i) any applicable statute, law, regulation, ordinance, rule, judgment, rule of law, order, decree, clearance, approval, directive, guideline, policy, requirement, or other governmental restriction; (ii) or any similar form of decision, or determination by, or any interpretation or adjudication having the force of law or other restriction of any Appropriate Authority, as applicable and as enacted or promulgated and whether in effect as of the date of execution of the Scheme or at any time thereafter;
- 1.5 **“Appropriate Authority”** means any (a) federal, state, local, municipal, or other government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, tribunal, central bank, commission or other authority thereof; (b) governmental or quasi-governmental authority of any nature (including without limitation SEBI, the NCLT, any Stock Exchange, any governmental agency, branch, department or other entity and any court or other tribunal); or (c) body exercising, or entitled to exercise, any administrative, executive, judicial, quasi-judicial, legislative, police, regulatory or taxing authority or power;
- 1.6 **“Board of Directors”** or **“Board”** in relation to the Demerged Company and the Resulting Companies, as the case may be, means the board of directors of such Party / company, and shall include a committee of directors or any person authorized by such board of directors or such committee of directors duly constituted and authorized for the purposes of matters pertaining to this Scheme or any other matter relating thereto;

- 1.7 **“Books and Records”** shall mean all books, records, files, studies, manuals, reports and other materials (in any form or medium) used in connection with or related to Demerged Undertaking, including all advertising /marketing materials, catalogues, price lists, mailing lists, distribution lists, client and customer lists, referral sources, supplier and vendor lists, active and open purchase orders, sales and purchase invoices, contracts, correspondence, customer data testing data and protocols, research and development files, records, data books, intellectual property disclosures and records, equipment logs, operating guides and manuals, specifications, financial and accounting records to the extent, litigation files for any ongoing matters, and personnel and employee benefits records in each case as maintained by ESPL;
- 1.8 **“Charter Documents”** in respect of a Person that is a body corporate, means the memorandum of association and articles of association of such Person, as applicable, as amended from time to time;
- 1.9 **“Control”** including with its grammatical variations such as **“Controlled by”**, **“that Controls”** and **“under common Control with”** in relation to a Person means, the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner, provided that a director or officer of a company shall not be considered to be in control over such company, merely by virtue of holding such position;
- 1.10 **“Demerged Company”** or **“ESPL”** means Evolutionary Systems Private Limited, a private limited company incorporated under the provisions of the Companies Act 1956, bearing corporate identification number U17122GJ2006PTC049073 and having its registered office at 11th Floor, Kataria Arcade, Beside Adani Vidya Mandir School, S.G. Highway, Makarba, Ahmedabad - 380054, Gujarat, India;
- 1.11 **“Demerged Liabilities”** has the meaning as set forth in Clause 5.9;
- 1.12 **“Demerged Undertaking”** means all of the Oracle Services Business and ancillary and support services together with all assets, properties, investments (direct and indirect), obligations, and liabilities of whatsoever nature and kind, and wherever situated, of the Demerged Company, in relation to and pertaining to its Oracle Services Business catering to the overseas market outside India and shall include without limitation:
- (a) all assets and liabilities of the Demerged Company pertaining solely to the Oracle Services Business other than the Excluded Assets;
 - (b) without prejudice to the generality of the provisions of (a) above, the Demerged Undertaking shall include:
 - (i) Identified Investments held by the Demerged Company;
 - (ii) all movable or immovable (in particular the immovable property at 11th floor, Kataria Arcade, S.G. Highway, Makarba, Ahmedabad 380051), freehold,

leasehold or licensed, tenancy rights, hire purchase and lease arrangements, real or personal, corporeal or incorporeal or otherwise, present, future, contingent, tangible or intangible, furniture, fixtures, office equipment, appliances, accessories, vehicles, all stocks, sundry debtors, deposits, provisions, advances, recoverables, receivables, title, interest, cash and bank balances, bills of exchange, covenants, all earnest monies, security deposits, or other entitlements, funds, powers, authorities, licences, registrations, quotas, allotments, consents, privileges, liberties, advantages, easements and all the rights, title, interests, goodwill, benefits, fiscal incentives, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favor of or held for the benefit of or enjoyed by the Demerged Company solely with respect to the Oracle Services Business catering to the overseas market;

- (iii) all contracts, agreements, schemes, arrangements and any other instruments for the purpose of carrying on the business of the Oracle Services Business catering to the overseas market;
 - (iv) all Tax credits, refunds, reimbursements, claims, concessions, exemptions, benefits under Tax Laws including sales tax deferrals, advance taxes, tax deducted at source, right to carry forward and set-off accumulated losses and unabsorbed depreciation, if any, deferred tax assets, minimum alternate tax credit, goods and service tax credit, deductions and benefits under the Income Tax Act or any other taxation statute enjoyed by the Demerged Company solely with respect to the Oracle Services Business catering to the overseas market; and
 - (v) all debts, borrowings and liabilities, whether present, future or contingent or deferred tax liabilities, whether secured or unsecured, of the Oracle Services Business catering to the overseas market.
- (c) all Permits, licences, approvals, registrations, quotas, incentives, powers, authorities, allotments, consents, rights, benefits, advantages, municipal permissions, trademarks, designs, copyrights, patents and other intellectual property rights of the Demerged Company pertaining to the Oracle Services Business, whether registered or unregistered and powers of every kind, nature and description whatsoever, whether from the government bodies or otherwise, pertaining to or relating to the Oracle Services Business;
- (d) all books, records, files, papers, process information, computer programs, software licenses (whether proprietary or otherwise), drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form solely in connection with or relating solely to the Oracle Services Business; and
- (e) all employees of the Demerged Company engaged solely in the Oracle Services Business catering to the overseas market.

Any question that may arise as to whether a specific asset or liability pertains or does not pertain to the Demerged Undertaking or whether it arises out of the activities or operations of the Demerged Undertaking shall be decided by mutual agreement between the Board of Directors of the Demerged Company and the Resulting Companies.

- 1.13 **“Effective Date”** means the last of the dates on which the conditions precedent specified in Clause 20 are fulfilled; Any reference in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" shall be a reference to the Effective Date;
- 1.14 **“Encumbrances”** includes, but is not limited to, (i) mortgage, pledge, charge, assignment, hypothecation, security interest, preferential right, trust arrangement, right of set-off, counterclaim or banker’s lien, privilege, priority or other encumbrance of any kind having the effect of security, whether created directly or indirectly; (ii) any proxy, power of attorney, voting trust agreement, pre-emptive right, interest, option, right to acquire, right of first offer, refusal or voting, dividend or transfer restriction in favour of any Person; (iii) any adverse claim or demand of any description whatsoever as to the title, possession or use; and (iv) any right pursuant to any existing agreement or commitment to give or create any lien (in the manner set out in sub-clause (i) to (iii) above) and any entitlement to claim any such right;
- 1.15 **“Equity Shares Equivalents”** has the meaning set forth in Schedule I;
- 1.16 **“Excluded Assets”** means all investments including equity shares, preference shares, stock, and other securities of associate/subsidiary/joint venture companies held by the Demerged Company other than the Identified Investments and any consideration received on sale of the investments;
- 1.17 **“Identified Investments”** means investments pertaining to the Demerged Undertaking made by the Demerged Company, in Evolutionary Systems Corp (Woburn, USA) bearing Massachusetts Identification number 465452403, Newbury Cloud Inc. (Woburn, USA) bearing Delaware file number 5638703, Evolutionary Systems Co. Ltd (London, United Kingdom) bearing company number 07559069 and Evolutionary Systems B.V. (Amsterdam, Netherlands) bearing RSIN 858794081, Evolutionary Systems Qatar WLL (Doha, Qatar) bearing commercial registration number 55571, Evolutionary Systems (Singapore) Pte Ltd (Singapore) bearing entity identification number 201418775M, Evolutionary Systems Pty Ltd (Sydney, Australia) bearing ACN 615 406 221, Evolutionary Systems Saudi LLC (Riyadh, KSA), and Evolutionary Systems (Petaling Jaya, Malaysia) bearing company number 1140231;
- 1.18 **“Income Tax Act”** means the Income Tax Act 1961 and applicable rules in this regard;
- 1.19 **“Indian Accounting Standards”** means the Indian accounting standards (Ind AS) notified under section 133 of the Act read with relevant applicable rules and the relevant provisions;
- 1.20 **“INR”** means Indian Rupee, the lawful currency of the Republic of India;
- 1.21 **“Key Employee”** means the following:

Name	Department	Role	Designation
Diwakar Rao	Delivery	Leading North America Delivery	Senior Vice President

Snehal Chaniyara.	Pre-sales	Leading North America Presales	Senior Vice President
Yashodhar Bhide	Delivery and pre-sales	Leading UK/Europe Delivery & Presales	Senior Vice President
Gary Barnes	Sales	Sales head of Rest of world (NA, Europe, APAC)	Senior Vice President
Sunil Kothari	Delivery	Leading ERP/HCM Practices & Global COE	Senior Vice President
Tarun Nahata	Delivery	Leading the HCM Practice	Senior Director
Nimesh Shah	Delivery	Leading the ERP Practice	Practise Director
Murtuza Kadiyani	Pre-sales	Leading pre-sales of Asia Pacific	Senior Vice President
Arpan Makwana	Pre-sales	Leading the technology Practice	Vice President

- 1.22 **“MAC Event”** with reference to a Party means any event, occurrence, fact, condition, change, development, omission or effect that would: (a) impede the performance or enforceability of this Scheme by such Party; or (b) have a materially adverse impact on the business, assets, liabilities and financial condition of the Party, but excluding: (i) any change affecting economic or financial conditions at a global, national or regional level, as applicable, and not being specific to the Party; or (ii) any change caused by the announcement of or pursuant to the transactions contemplated in this Scheme;
- 1.23 **“Mastek”** means a public limited company incorporated under the provisions of Companies Act, 1956, bearing corporate identification number L74140GJ1982PLC005215 and having its registered office presently situated at 804/805 President House, Opposite C N Vidyalaya, Near Ambawadi Circle, Ahmedabad, Gujarat - 380006;
- 1.24 **“Mastek Consideration Securities”** means 42,35,294 (forty two lakhs thirty five thousand two hundred ninety four) equity shares of Mastek Limited of face value INR 5/- each (Indian Rupees Five) each, listed on the Stock Exchanges, as defined in Clause 11.1 of the Scheme;
- 1.25 **“NCLT”** means the National Company Law Tribunal as constituted and authorized as per the provisions of the Act for approving any scheme of arrangement, compromise or reconstruction of companies under Sections 230 to 232 of Companies Act, 2013;
- 1.26 **“New Shareholders”** means Mr Umang Tejkaran Nahata, Mr Rakesh Raman and Mr Ummed Singh Nahata;
- 1.27 **“Oracle Services Business”** means services around enterprise package implementation, upgrade and support for on-premise and cloud versions from Oracle and includes procuring Oracle ERP license on behalf of client along with implementation/ upgrade services. Enterprise packages includes enterprise resource planning, human capital management, client relationship management, business intelligence, business analytics and equivalents;

- 1.28 **“Ordinary Course of Business”** means carrying on the business of a company in normal course and consistent with its Charter Documents, past custom and practice (including with respect to quantity and frequency). Provided that a series of related transactions when taken together are not in the Ordinary Course of Business, then such series of transactions shall not be deemed to be in the Ordinary Course of Business;
- 1.29 **“Parties”** shall mean collectively the Demerged Company and the Resulting Companies and **“Party”** shall mean each of them, individually;
- 1.30 **“Permits”** means all consents, licences, permits, certificates, permissions, authorisations, rights, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, whether governmental, statutory, regulatory or otherwise as required under Applicable Law;
- 1.31 **“Person”** means a natural person, company, corporation, association, unincorporated association, society, Hindu undivided family, partnership (general or limited), joint venture, estate, trust, limited liability company, limited liability partnership, proprietorship, single business unit, division or undertaking of any of the above or, any other legal entity, individual, government or Appropriate Authority;
- 1.32 **“Record Date”** means the date to be fixed by the Board of the Demerged Company in consultation with the Resulting Companies for the purpose of determining the shareholders of the Demerged Company for issue of securities of the Resulting Companies, pursuant to Clause 11 of this Scheme;
- 1.33 **“Relative”** has the meaning set forth in the Act;
- 1.34 **“Remaining Business of the Demerged Company”** means all the business, units, divisions, undertakings, and assets and liabilities of the Demerged Company relating to the India domestic business which does not form part of the Demerged Undertaking and shall always include assets and liabilities pertaining to the above businesses and the Excluded Assets;
- 1.35 **“Resulting Companies”** means TAISPL and Mastek, collectively;
- 1.36 **“Resulting Companies New Securities”** has the meaning as set forth in Clause 11.1;
- 1.37 **“SEBI”** means the Securities and Exchange Board of India;
- 1.38 **“SEBI Circular”** means the circular issued by the SEBI, being Circular CFD/DIL3/CIR/2017/21 dated 10 March 2017, and any amendments thereof, modifications or replacement, issued pursuant to regulations 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015;
- 1.39 **“Scheme”** or **“this Scheme”** means this Scheme of Arrangement in its present form submitted to the NCLT or with any modification(s) made under Clause 19 of the Scheme as approved by the NCLT.

- 1.40 **“Stock Exchanges”** means BSE Limited and National Stock Exchange of India Limited, as may be applicable.
- 1.41 **“TAISPL”** means Trans American Information Systems Private Limited, a private limited company incorporated under Companies Act, 1956, bearing corporate identification number CIN U51505GJ1999PTC112745 and having its registered office at 804/805 President House, Opposite C N Vidyalaya, Near Ambawadi Circle, Ahmedabad Gujarat- 380006;
- 1.42 **“TAISPL CCPS”** means compulsorily convertible preference shares of TAISPL of face value INR 10/- (Indian Rupees Ten), issued on terms and conditions set out in Schedule I to this Scheme as defined in Clause 11.1 of the Scheme;
- 1.43 **“Tax”** or **“Taxes”** means (a) any and all taxes, duties, imposts, levies, premiums, impositions, transfer charges, cess, surcharge, charges in the nature of tax and any fine, cost, penalty or interest connected therewith, including corporate tax, income tax, dividend distribution tax, interest tax, withholding taxes, capital gains tax, value added tax, goods and services tax, gift tax, wealth tax, sales tax, service tax, stamp duty, registration fees, foreign travel tax, octroi, turnover tax, excise duty, customs duty, import duty, development cess, rates, property tax or other tax of whatever kind (including any fee, assessment or other charges in the nature of or in lieu of any tax) that is imposed by any Appropriate Authority; and (b) any interest, fines, penalties, surcharges or additions resulting from, attributable to, or incurred in connection with any items described in this paragraph or any related contest or dispute; and
- 1.44 **“Tax Laws”** means all Applicable Laws dealing with Taxes including but not limited to income tax, wealth tax, sales tax/ value added tax, service tax, goods and service tax, excise duty, customs duty or any other levy of similar nature.

2. **INTERPRETATION:**

In this Scheme, unless the context otherwise requires:

- (a) the words **“including”**, **“include”** or **“includes”** shall be interpreted in a manner as though the words **“without limitation”** immediately followed the same;
- (b) any document or agreement includes a reference to that document or agreement as varied, amended, supplemented, substituted, novated or assigned, from time to time, in accordance with the provisions of such a document or agreement;
- (c) the words **“other”**, **“or otherwise”** and **“whatsoever”** shall not be construed *ejusdem generis* or be construed as any limitation upon the generality of any preceding words or matters specifically referred to;
- (d) headings are inserted for ease of reference only and shall not affect the construction or interpretation of the relevant provisions of this Scheme;
- (e) the term **“Clause”** or **“Sub-Clause”** refers to the specified clause of this Scheme, as the case may be;

- (f) reference to any legislation, statute, regulation, rule, notification, or any other provision of law means and includes references to such legal provisions as amended, supplemented or re-enacted from time to time, and any reference to legislation or statute includes any sub-ordinate legislation made from time to time under such a legislation or statute and regulations, rules, notifications or circulars issued under such a legislation or statute;
- (g) words denoting the singular shall include the plural and vice versa;
- (h) unless otherwise defined, the reference to the word “days” shall mean calendar days; and
- (i) reference to dates and times shall be construed to be reference to Indian dates and times.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Income Tax Act, the Securities Contract Regulation Act, 1956, the Depositories Act, 1996 and other Applicable Laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

3. SHARE CAPITAL

3.1 ESPL

The authorized share capital and the issued, subscribed and fully paid-up share capital of ESPL, as on 31 January 2020 is as under:

Share Capital	INR
Authorised Share Capital	
1,10,00,000 equity shares of INR 10 each	11,00,00,000
Total	11,00,00,000
Issued, Subscribed and Fully paid-up Share Capital	
1,00,00,000 equity shares of INR 10 each	10,00,00,000
Total	10,00,00,000

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid up share capital of the Demerged Company till the date of approval of the Scheme by the Board of the Demerged Company.

3.2 TAISPL

The authorized share capital and the issued, subscribed and fully paid-up share capital of TAISPL, as on 31 January 2020 is as under:

Share Capital	INR
Authorised Share Capital	
1,00,000 equity shares of INR 10 each	10,00,000
Total	10,00,000
Issued, Subscribed and Fully paid-up Share Capital	
34,520 equity shares of INR 10 each	3,45,200
Total	3,45,200

As on date, TAISPL is a wholly owned subsidiary of Mastek. Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid up share capital of TAISPL till the date of approval of the Scheme by the Board of TAISPL.

3.3 Mastek

The authorized share capital and the issued, subscribed and fully paid-up share capital of Mastek, as on 31 January 2020 is as under:

Share Capital	INR
Authorised Share Capital	
4,00,00,000 equity shares of INR 5 each	20,00,00,000
20,00,000 preference shares of INR 100 each	20,00,00,000
Total	40,00,00,000
Issued, Subscribed and Fully paid-up Share Capital	
2,42,55,233 equity shares of INR 5 each	12,12,76,165
Total	12,12,76,165

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid up share capital of Mastek till the date of approval of the Scheme by the Board of Mastek.

Mastek has 3 ongoing Employee Stock Option Plans (ESOPs) at present:

- (i) ESOP Plan V;
- (ii) ESOP Plan VI; and
- (iii) ESOP Plan VII

Pool balances as on 31 January 2020 are:

- (i) Plan V- 10,75,236 options;
- (ii) Plan VI- 3,39,409 options; and
- (iii) Plan VII- 4,54,331 options.

The equity shares of Mastek are listed on the Stock Exchanges.

4. DATE OF TAKING EFFECT AND OPERATIVE DATE

Part II of this Scheme in its present form or with any modification(s) made as per Clause 19 shall become effective from the Appointed Date but shall be operative from the Effective Date. Therefore, for all Tax purposes, the Scheme would be effective from the Appointed Date. Notwithstanding the above, the accounting treatment to be adopted to give effect to the provisions of the Scheme would be in consonance with Indian Accounting Standards, 103 (Ind AS 103) and mere adoption of such accounting treatment will not in any manner affect the transfer of Demerged Undertaking of the Demerged Company with the Resulting Companies from the Appointed Date.

PART II

DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING

5. DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING

- 5.1 Upon the Scheme becoming effective and with effect from the Appointed Date and subject to the provisions of this Scheme and pursuant to Sections 230 to 232 of the Act, and in accordance with Section 2(19AA) of the Income Tax Act, the Demerged Undertaking along with all its assets, liabilities, investments, contracts, arrangements, employees, Permits, records, etc. pertaining to the Demerged Undertaking, shall without any further act, instrument or deed, be demerged from the Demerged Company and transferred to, and be vested in or be deemed to have been transferred to and vested in TAISPL as a *going concern* so as to become as on the Appointed Date, the assets, liabilities, investments, contracts, arrangements, employees, Permits, records, etc. of TAISPL by virtue of operation of law and in the manner provided in this Scheme.
- 5.2 In respect of such of the assets and properties forming part of the Demerged Undertaking which are movable in nature (including but not limited to all intangible assets) or are otherwise capable of transfer by delivery or possession or by endorsement, the same shall stand transferred by the Demerged Company to TAISPL upon coming into effect of this Scheme and shall, *ipso facto* and without any other order to this effect, become the assets and properties of TAISPL without requiring any deed or instrument of conveyance for transfer of the same.
- 5.3 Subject to Clause 5.4 below, with respect to the assets of the Demerged Undertaking other than those referred to in Clause 5.2 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investments in shares, mutual funds, bonds and any other securities, sundry debtors, claims from customers or otherwise, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with any Appropriate Authority, customers and other Persons, whether or not the same is held in the name of the Demerged Company, the same shall, without any further act, instrument or deed, be transferred to and vested in and / or be deemed to be transferred to and vested in TAISPL, with effect from the Appointed Date by operation of law as transmission in favour of TAISPL. With regard to the licenses of the properties, TAISPL will enter into novation agreements, if it is so required.

- 5.4 In respect of such of the assets and properties forming part of the Demerged Undertaking which are immovable in nature, whether or not included in the books of the Demerged Company, including rights, interest and easements in relation thereto, the same shall stand transferred to and be vested in TAISPL with effect from the Appointed Date, without any act or deed or conveyance being required to be done or executed by the Demerged Company and / or TAISPL.
- 5.5 For the avoidance of doubt and without prejudice to the generality of Clause 5.4 above and Clause 5.6 below, it is clarified that, with respect to the immovable properties comprised in the Demerged Undertaking in the nature of land and buildings, the Parties shall register the true copy of the orders of the NCLT approving the Scheme with the offices of the relevant Sub-registrar of Assurances or similar registering authority having jurisdiction over the location of such immovable property and shall also execute and register, as required, such other documents as may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 5.5 or Clause 5.6 below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the transfer of any part of the Demerged Undertaking takes place and the Demerged Undertaking shall be transferred solely pursuant to and in terms of this Scheme and the order of the NCLT sanctioning this Scheme.
- 5.6 Notwithstanding anything contained in this Scheme, with respect to the immovable properties comprised in the Demerged Undertaking in the nature of land and buildings situated in states other than the state of Gujarat, whether owned or leased, for the purpose of, *inter alia*, payment of stamp duty and vesting in TAISPL, if TAISPL so decides, the Parties, whether before or after the Effective Date, may execute and register or cause to be executed and registered, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of TAISPL in respect of such immovable properties. Each of the immovable properties, only for the purposes of the payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of this Scheme.
- 5.7 Upon the Scheme coming into effect and with effect from the Appointed Date, all rights entitlements, licenses, applications and registrations relating to copyrights, trademarks, service marks, brand names, logos, patents and other intellectual property rights of every kind and description, whether registered or unregistered or pending registration, and the goodwill arising therefrom, relating to the Demerged Undertaking, to which either the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible or entitled, shall become the rights, entitlement or property of TAISPL and shall be enforceable by or against TAISPL, as fully and effectually as if, instead of the Demerged Company, TAISPL had been a party or beneficiary or obligee thereto or the holder or owner thereof.
- 5.8 The Demerged Company may, at its sole discretion but without being obliged to, give notice in such form as it may deem fit and proper, to such Persons, as the case may be, that any debt, receivable, bill, credit, loan, advance, debenture or deposit relating to the Demerged Undertaking stands transferred to and vested in TAISPL and that appropriate modification should be made in their respective books / records to reflect the aforesaid changes.

- 5.9 Upon effectiveness of the Scheme, all debts, liabilities, loans, obligations and duties of the Demerged Company as on the Appointed Date and relating to the Demerged Undertaking (“**Demerged Liabilities**”) shall, without any further act, instrument or deed, be and stand transferred to and be deemed to be transferred to TAISPL and TAISPL shall meet, discharge and satisfy the same. The term “**Demerged Liabilities**” shall include without limitation:
- 5.9.1 the debts, liabilities and obligations incurred and duties of any kind, nature or description (including contingent liabilities) which arise out of the activities or operations of the Demerged Undertaking;
 - 5.9.2 the specific loans, credit facilities, overdraft facilities and borrowings (including debentures, bonds, notes and other debt securities) raised, incurred and utilized solely for the activities or operations of the Demerged Undertaking; and
 - 5.9.3 in cases other than those referred to in Clause 5.9.1 or 5.9.2 above, so much of the amounts of general or multipurpose borrowings, if any, of the Demerged Company, as stand in the same proportion which the value of the assets transferred pursuant to the demerger of the Demerged Undertaking bear to the total value of the assets of the Demerged Company immediately prior to the Appointed Date.

In so far as indirect tax liabilities are concerned, in particular, any liability with respect to the goods and service tax, value added tax, purchase tax, sales tax or any other duty or Tax in relation to the Demerged Undertaking and pertaining to the period prior to the Appointed Date, including all or any liability pertaining to the period prior to the Appointed Date, shall be treated as liability of TAISPL, to the extent permissible under Applicable Law.

- 5.10 In so far as any Encumbrance in respect of Demerged Liabilities is concerned, such Encumbrance shall, without any further act, instrument or deed being required to be taken or modified, be extended to and shall operate only over the assets comprised in the Demerged Undertaking which have been Encumbered in respect of the Demerged Liabilities as transferred to TAISPL pursuant to the Scheme. Provided that, if any of the assets comprised in the Demerged Undertaking which are being transferred to TAISPL pursuant to this Scheme have not been Encumbered in respect of the Demerged Liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above. For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the Remaining Business of the Demerged Company are concerned, the Encumbrance, if any, over such assets relating to the Demerged Liabilities shall without any further act, instrument or deed being required, be released and the Demerged Company shall be discharged from the obligations and Encumbrances relating to the same. Further, in so far as the assets comprised in the Demerged Undertaking are concerned, the Encumbrance over such assets relating to any loans, borrowings or other debts which are not transferred to TAISPL pursuant to this Scheme and which continue with the Demerged Company shall without any further act, instrument or deed be released from such Encumbrance and shall no longer be available as security in relation to such liabilities.

- 5.11 If the Demerged Company is entitled to any unutilized credits (including accumulated losses and unabsorbed depreciation), benefits under the state or central fiscal / investment incentive schemes and policies or concessions relating solely to the Demerged Undertaking under any Tax law or Applicable Law, TAISPL shall be entitled, as an integral part of the Scheme, to claim such benefit or incentives or unutilised credits as the case may be without any specific approval or permission. Without prejudice to the generality of the foregoing, in respect of unutilized input credits of goods and service tax of the Demerged Company, the portion which will be attributed to the Demerged Undertaking and be transferred to TAISPL shall be determined by the Board of the Demerged Company in accordance with the Applicable Law.
- 5.12 Upon the Scheme becoming effective, the Demerged Company and TAISPL shall have the right to revise their respective financial statements and returns along with prescribed forms, filings and annexures under the Tax Laws and to claim refunds and / or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of the Scheme. It is further clarified that TAISPL shall be entitled to claim deduction under Section 43B of the Income Tax Act in respect of unpaid liabilities transferred to it as part of the Demerged Undertaking to the extent not claimed by the Demerged Company, as and when the same are paid subsequent to Appointed Date.
- 5.13 Subject to this Clause 5 and any other provisions of the Scheme, in respect of any refund, benefit, incentive, grant or subsidy in relation to or in connection with the Demerged Undertaking, the Demerged Company shall, if so required by TAISPL, issue notices in such form as TAISPL may deem fit and proper, stating that pursuant to the NCLT having sanctioned this Scheme, the relevant refund, benefit, incentive, grant or subsidy be paid or made good to or held on account of TAISPL, as the Person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same stands transferred to TAISPL and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- 5.14 On and from the Effective Date, all cheques and other negotiable instruments and payment orders received or presented for encashment which are in the name of the Demerged Company and are in relation to or in connection with the Demerged Undertaking, shall be accepted by the bankers of TAISPL and credited to the account of TAISPL, if presented by TAISPL.
- 5.15 TAISPL shall be entitled to the benefit of all pre-qualification, track-record, experience, goodwill and all other rights, claims and powers of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by the Demerged Company in connection with or pertaining or relatable to the Demerged Undertaking for all intents and purposes and specifically including but not limited to the track-record and experience of having undertaken, performed and/or executed the business and / or orders by the Demerged Company from the commencement of its business.
- 5.16 TAISPL shall at any time upon the Scheme coming into effect and in accordance with the provisions hereof, if so required under any Law or otherwise execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Demerged Undertaking to which the Demerged Company has been a party, in order to give formal effect to the above provisions.

- 5.17 Without prejudice to the provisions of the foregoing sub-clauses of this Clause 5 and upon the effectiveness of this Scheme, the Demerged Company and TAISPL may execute any and all instruments or documents and do all acts, deeds and things as may be required, including filing of necessary particulars and/ or modification(s) of charge with the concerned Registrar of Companies or filing of necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to the Scheme.
- 5.18 This part of the Scheme has been drawn up to comply with the conditions relating to “**Demerger**” as specified under Section 2(19AA) of the Income Tax Act. If any terms or provisions of the Scheme is / are inconsistent with the provisions of Section 2(19AA) of the Income Tax Act, the provisions of Section 2(19AA) of the Income Tax Act shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(19AA) of the Income Tax Act; such modification to not affect other parts of the Scheme. In accordance with Section 2(41A) of the Income Tax Act, TAISPL and Mastek shall be considered as the Resulting Companies. Further, in accordance with Section 2(19AAA) of the Income Tax Act, ESPL shall be considered as the Demerged Company.

6. PERMITS

- 6.1 With effect from the Appointed Date, the Permits relating to the Demerged Undertaking shall be transferred to and vested in TAISPL and the concerned licensor and grantors of such Permits shall endorse where necessary and record the name of TAISPL on such Permits so as to empower and facilitate the approval and vesting of the Demerged Undertaking in TAISPL and continuation of operations pertaining to the Demerged Undertaking in TAISPL without any hindrance and the Permits shall stand transferred to and vested in, and shall be deemed to be transferred to and vested in TAISPL without any further act, instrument or deed and shall be appropriately mutated by the Appropriate Authorities concerned therewith in favour of TAISPL as if the same were originally given by, issued to or executed in favour of TAISPL and TAISPL shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits thereunder shall be available to TAISPL.
- 6.2 The benefit of all Permits pertaining to the Demerged Undertaking shall, without any other order to this effect, transfer to and vest in and become available to TAISPL pursuant to the sanction of this Scheme by the NCLT.
- 6.3 Notwithstanding the generality of the foregoing provisions, all electricity, gas, water and other utility connections and tariff rates in respect thereof sanctioned by various public sector and private companies, boards, agencies and authorities in different states pertaining to the Demerged Undertaking, together with security deposits and all other advances paid, shall stand automatically transferred in favour of TAISPL on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed.

7. CONTRACTS

- 7.1 All contracts, deeds, bonds, agreements, indemnities, guarantees or other similar rights or entitlements whatsoever, schemes, arrangements and other instruments, rights, entitlements, licenses for the purpose of carrying on the business of the Demerged Undertaking and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Demerged Undertaking, or to the benefit of which the Demerged Company may be eligible and which are subsisting or having effect immediately before this Scheme coming into effect, shall by endorsement, by delivery or recordal or by operation of law pursuant to the order of the NCLT sanctioning the Scheme, and on this Scheme becoming effective be deemed to be contracts, deeds, bonds, agreements, indemnities, guarantees or other similar rights or entitlements whatsoever, schemes, arrangements and other instruments, rights, entitlements and licenses (including licenses granted by any Appropriate Authority) of TAISPL. Such properties and rights described hereinabove shall stand vested in TAISPL and shall be deemed to be the property and become the property by operation of law as an integral part of TAISPL. Such contracts and properties described above shall continue to be in full force and continue as effective as hitherto in favour of or against TAISPL and shall be the legal and enforceable rights and interests of TAISPL, which can be enforced and acted upon as fully and effectually as if it were the Demerged Company. Upon this Scheme becoming effective, the rights, benefits, privileges, duties, liabilities, obligations and interest whatsoever, arising from or pertaining to contracts and properties relating to the Demerged Undertaking, shall be deemed to have been entered into and stand assigned, vested and novated to TAISPL by operation of Law and TAISPL shall be deemed to be the Demerged Company's substituted party or beneficiary or obligor thereto, it being always understood that TAISPL shall be the successor in interest of the Demerged Company in relation to the properties or rights mentioned hereinabove.
- 7.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Demerged Undertaking occurs by virtue of this Scheme, TAISPL may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary in order to give effect to the provisions of this Scheme. With effect from the Effective Date, TAISPL shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances referred to above, on the part of the Demerged Company with respect to Demerged Undertaking.
- 7.3 On and from the Effective Date, and thereafter, TAISPL shall be entitled to enforce all pending contracts and transactions and issue credit notes on behalf of the Demerged Company, in relation to or in connection with the Demerged Undertaking, in the name of TAISPL in so far as it may be necessary until the transfer of rights and obligations of the Demerged Undertaking to TAISPL under this Scheme have been given effect to under such contracts and transactions.

7.4 Without prejudice to the aforesaid, it is clarified that if any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking which the Demerged Company owns or to which the Demerged Company is a party, cannot be transferred to the Resulting Companies for any reason whatsoever, the Demerged Company shall hold such assets, contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Companies, in so far as it is permissible so to do, till such time as the transfer is effected.

8. EMPLOYEES AND STAFF

8.1 Upon the effectiveness of this Scheme and with effect from the Effective Date, TAISPL undertakes to engage, without any interruption in service, all employees of the Demerged Company engaged in or in relation to the Demerged Undertaking, on terms and conditions no less favourable than those on which they are engaged by the Demerged Company. TAISPL undertakes to continue to abide by any agreement / settlement or arrangement entered into or deemed to have been entered into by the Demerged Company with any of the aforesaid employees or union representing them. TAISPL agrees that the services of all such employees with the Demerged Company prior to the demerger shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retiral / terminal benefits.

8.2 The accumulated balances, if any, standing to the credit of the aforesaid employees in the existing provident fund, gratuity fund and superannuation fund of which they are members, as the case may be, will be transferred respectively, together with the asset balances of the respective funds, to such provident fund, gratuity fund and superannuation funds nominated by TAISPL and/or such new provident fund, gratuity fund and superannuation fund to be established in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities, by TAISPL. Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the said employees would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Demerged Company.

With effect from the Appointed Date and up to and including the Effective Date, the Demerged Company shall not vary the terms and conditions of employment of any of the employees of the Demerged Company pertaining to the Demerged Undertaking except in the Ordinary Course of Business or without the prior consent of the Board of Directors of TAISPL or pursuant to any pre-existing obligation undertaken by the Demerged Company.

8.3 With effect from the Appointed Date and up to and including the Effective Date, the Demerged Company shall not vary or modify the terms and conditions of employment of any of its said employees, except with the written consent of the Resulting Companies unless it is in the Ordinary Course of Business. However, the terms and conditions of their employment with the Resulting Companies shall be no less favourable than those on which they were engaged in the Demerged Company.

9. LEGAL PROCEEDINGS

- 9.1 Upon coming into effect of this Scheme, all suits, actions, administrative proceedings, tribunals proceedings, show cause notices, demands and legal proceedings of whatsoever nature (including proceedings with respect to Income Tax Act) by or against the Demerged Company pending and / or arising on or before the Appointed Date or which may be instituted any time thereafter and in each case relating to the Demerged Undertaking shall not abate or be discontinued or be in any way prejudicially affected by reason of this Scheme or by anything contained in this Scheme but shall be continued and be enforced by or against TAISPL with effect from the Appointed Date in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. Except as otherwise provided herein, the Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings that stand transferred to TAISPL. TAISPL shall be substituted in place of the Demerged Company or added as parties to such proceedings and shall prosecute or defend such proceedings at their own cost, in cooperation with the Demerged Company and the liability of the Demerged Company shall consequently stand nullified. The Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings in relation to the Demerged Undertaking.
- 9.2 TAISPL undertakes to have all legal or other proceedings (including proceedings with respect to Income Tax Act) initiated by or against the Demerged Company referred to in Clause 9.1 above transferred to its name as soon as is reasonably practicable after the Effective Date and to have the same continued, prosecuted and enforced by or against TAISPL to the exclusion of the Demerged Company on priority. Both the concerned Parties shall make relevant applications and take all steps as may be required in this regard. Post the Appointed Date, any benefits, whether by way of recovery, realization of any amount and/or asset or otherwise, accruing to the Demerged Company out of legal or other proceedings pertaining to the Demerged Undertaking shall be forthwith transferred and / or handed over to TAISPL.
- 9.3 Notwithstanding anything contained hereinabove, if at any time after the Effective Date, the Demerged Company is in receipt of any demand, claim, notice and / or is impleaded as a party in any proceedings before any Appropriate Authority (including proceedings with respect to Income Tax Act), in each case in relation to the Demerged Undertaking, the Demerged Company shall, in view of the transfer and vesting of the Demerged Undertaking pursuant to this Scheme, take all such steps in the proceedings before the Appropriate Authority to replace the Demerged Company with TAISPL. However, if the Demerged Company is unable to get TAISPL replaced in such proceedings, the Demerged Company shall defend the same or deal with such demand in accordance with the advice of TAISPL and at the cost of TAISPL and the latter shall reimburse to the Demerged Company all liabilities and obligations incurred by the Demerged Company in respect thereof.
- 9.4 This Scheme complies with the definition of “**Demerger**” as per Sections 2(19AA) and other provisions of the Income Tax Act. If any terms of this Scheme are found to be or interpreted to be inconsistent with provisions of the Income Tax Act, then this Scheme shall stand modified to be in compliance with Section 2(19AA) of the Income Tax Act.

10. TAXES

- 10.1 All Taxes (including income tax, sales tax, excise duty, customs duty, service tax, VAT, goods and service tax, etc.) paid or payable by the Demerged Company in respect of the operations and / or the profits of the Demerged Undertaking up to the Appointed Date, shall be on account of the Demerged Company and hence paid or payable by ESPL. Insofar as it relates to the tax payment (including without limitation income tax, sales tax, excise duty, custom duty, service tax, VAT, goods and service tax etc.), whether by way of deduction at source or otherwise howsoever by the Demerged Company in respect of the profits or activities or operations of its business relating to the Demerged Undertaking after the start of business on the Appointed Date, the same shall be deemed to be the corresponding item paid or payable by TAISPL and shall, in all proceedings, be dealt with accordingly.
- 10.2 On the Scheme becoming effective, the Demerged Company and TAISPL may revise their respective returns pertaining to income tax, goods and service tax, service tax, sales tax, VAT and other Tax returns, and claim refunds and/or credits including credits relating to tax deducted at source, as applicable pursuant to the provisions of this Scheme.
- 10.3 The Demerged Company may be entitled to various incentive schemes and pursuant to the Scheme, it is declared that the benefits under all such schemes and policies pertaining to the Demerged Undertaking shall stand transferred to and vested in the Resulting Companies and all benefits, entitlements and incentives of any nature whatsoever including benefits under the income tax, excise, sales tax, service tax, goods and services tax, exemptions, concessions, remissions, subsidies and other incentives in relation to the Demerged Undertaking, to the extent statutorily available, shall be claimed by the Resulting Companies.

11. CONSIDERATION

- 11.1 Upon this Scheme coming into effect and in consideration of and subject to the provisions of this Scheme, securities shall be issued by each of the Resulting Companies ("**Resulting Companies New Securities**") as follows, without any further application, act, deed, consent, acts, instrument or deed, issue and allot, on a proportionate basis to each shareholder of the Demerged Company whose name is recorded in the register of members as member of the Demerged Company as on the Record Date:
- 42,35,294 (forty two lakhs thirty five thousand two hundred and ninety four) fully paid up equity shares of face value INR 5/- (Indian Rupees Five) each, of Mastek ("**Mastek Consideration Securities**") against the total equity shares outstanding i.e. 1,00,00,000 (one crore) equity shares of ESPL of face value of INR 10/- (Indian Rupees Ten) each; (i.e. "4,235.294 (four thousand two hundred and thirty five decimal two nine four) fully paid up equity shares of face value of INR 5/- (Indian Rupees Five) each of Mastek ("Mastek Consideration Securities") for every 10,000 (ten thousand) equity shares of ESPL of face value of INR 10/- (Indian Rupees Ten) each, held by such shareholder."); and
 - 15 (fifteen) compulsorily convertible preference shares (issued on terms and conditions set out in Schedule I hereto) of INR 10/- (Indian Rupees Ten) each of TAISPL ("**TAISPL CCPS**") for every 10,000 (ten thousand) equity shares of ESPL of face value of INR 10/- (Indian Rupees Ten) each, held by such shareholder.

- 11.2 The Resulting Companies New Securities to be issued and allotted as provided in Clause 11.1 above shall be subject to the provisions of the memorandum of association and articles of association of the Resulting Companies, respectively and shall rank *pari passu* in all respects with any existing securities of the Resulting Companies after the Effective Date including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached to the securities of the Resulting Companies, respectively.
- 11.3 The issue and allotment of the Resulting Companies New Securities is an integral part hereof and shall be deemed to have been carried out under the orders passed by the NCLT without requiring any further act on the part of the Resulting Companies or the Demerged Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Law as may be applicable, were duly complied with. It is clarified that the approval of the members of the Resulting Companies and / or the Demerged Company to this Scheme, shall be deemed to be their consent / approval for the issue and allotment of the Resulting Companies New Securities.
- 11.4 The Resulting Companies New Securities issued pursuant to Clause 11.1 above shall be in dematerialized or physical form as may be determined by the Board of Mastek and TAISPL. In the event that such notice has not been received by the Resulting Companies in respect of any of the shareholders of Demerged Company, the Resulting Companies New Securities, shall be issued to such shareholders in dematerialized form or physical form provided, in the event TAISPL CCPS issued in the dematerialized form the shareholders of Demerged Company shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event that the Resulting Companies have received notice from any shareholder that Resulting Companies New Securities are to be issued in physical form or if any shareholder has not provided the requisite details relating to his / her / its account with a depository participant or other confirmations as may be required or if the details furnished by any shareholder do not permit electronic credit of the shares of the Resulting Companies, then the Resulting Companies shall issue the Resulting Companies New Securities in physical form to such shareholder or shareholders.
- 11.5 In case any shareholder's shareholding in the Demerged Company is such that such shareholder becomes entitled to a fraction of a security of Mastek, Mastek shall not issue fractional share certificate to such shareholder but shall consolidate such fractions and round up the aggregate of such fractions to the next whole number and issue and allot the consolidated shares directly to a trustee nominated by the Board of Mastek in that behalf, who shall sell such shares in the market at such price or prices and on such time or times as the trustee may in its sole discretion decide and on such sale, shall pay to Mastek, the net sale proceeds (after deduction of applicable taxes and other expenses incurred), whereupon Mastek shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Demerged Company in proportion to their respective fractional entitlements so sold by the trustee.
- 11.6 In case any shareholder's shareholding in the Demerged Company is such that such shareholder becomes entitled to a fraction of the TAISPL CCPS, TAISPL shall round the same up to the next whole number.

- 11.7 In the event, the Parties restructure their equity share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the share exchange ratio, per Clause 11.1 above shall be adjusted (including stock options) accordingly, to consider the effect of any such corporate actions.
- 11.8 Mastek shall apply for listing of Mastek Consideration Securities on the Stock Exchanges in terms of and in compliance of SEBI Circular and any other Applicable Law. Mastek Consideration Securities allotted by Mastek in terms of Clause 11.1 above, pursuant to the Scheme, shall remain frozen in the depository system till listing / trading permission is given by the designated Stock Exchange.
- 11.9 Mastek shall enter into such arrangements and give such confirmations and / or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges.
- 11.10 Mastek Consideration Securities to be issued and allotted to the equity shareholders of ESPL pursuant to Clause 11.1 above of the Scheme and will be listed and / or admitted to trading on the Stock Exchanges, where the equity shares of Mastek are listed and / or admitted to trading in accordance with the Applicable Laws including without limitation the SEBI Circulars. Mastek shall enter into such arrangements and give such confirmations and / or undertakings as may be necessary in accordance with the Applicable Laws or regulations for complying with the formalities of the said Stock Exchanges.
- 11.11 Upon the Scheme, becoming effective, the authorized share capital of TAISPL shall stand reclassified from its existing authorized share capital of INR 10,00,000 (Indian Rupees Ten lakhs) divided into 1,00,000 (one lakh) equity shares of INR 10 (Indian Rupees Ten) to INR 10,00,000 (Indian Rupees Ten lakhs) divided into 85,000 (eighty five thousand) equity shares of INR 10 (Indian Rupees Ten) each and 15,000 (fifteen thousand) compulsorily convertible preference shares of INR 10 (Indian Rupees Ten) each without any further act or deed in terms of this Scheme. Accordingly, the words and figures in Clause V of the Memorandum of Association and Clause 4 of Part IV of Article of Association of TAISPL shall stand modified and be substituted to read as follows

“V. The authorized share capital of the Company is INR 10,00,000 (Rupees Ten Lakhs) divided into 85,000 (Eighty five thousand) equity shares of INR 10 (Rupees Ten only) each and 15,000 (Fifteen Thousand) Compulsorily Convertible Preference Shares of INR 10 (Rupees Ten only) each.”

“4. The Authorised Share Capital of the Company is as mentioned in Clause V of the Memorandum of Association of the Company with power of the Board of Directors to sub-divide, consolidate, reclassify , increase and with power from time to time, issue any shares of the original capital with and subject to any preferential, qualified or special rights, privileges or conditions as may be, thought fit, and upon the sub-division of shares apportion the right to participate in profits in any manner as between the shares resulting from sub-division.”

- 11.12 It is clarified that the approval of the shareholders of TAISPL to this Scheme shall be deemed that shareholders of TAISPL have also accorded their consent under Sections 13, 14, 42, 55, 61, 62 and 64 of the Act and / or other provisions of the Act and rules made thereunder as may be applicable for the aforesaid reclassification of authorised share capital, alteration of the Charter Documents and issuance of TAISPL CCPS to the shareholders of the Demerged Company and all actions taken in accordance with this Clause 11 of this Scheme shall be deemed to be in full compliance of Sections 13, 14, 42, 55, 61, 62 and 64 of the Act and other applicable provisions of the Act and that no further resolution or actions under Section 13, 14, 42, 55, 61, 62 and 64 of the Act and / or any other applicable provisions of the Act and rules made thereunder including, *inter-alia*, issuance of a letter of offer by TAISPL shall be required to be passed or undertaken.
- 11.13 It is also clarified that the approval of the equity shareholders of Mastek to this Scheme, pursuant to Section 230 to 232 of the Act, it shall be deemed that equity shareholders of Mastek have also accorded their consent under Sections 23, 42 and 62 of the Act and / or other provisions of the Act and rules made thereunder and Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations 2018 as may be applicable for the aforesaid new issuance of Mastek Consideration Securities to the shareholders of the Demerged Company and all actions taken in accordance with this Clause 11 of this Scheme shall be deemed to be in full compliance of Sections 23, 42 and 62 of the Act and other applicable provisions of the Act and Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations 2018 and that no further resolution or actions under Section 42 and 62 of the Act and / or any other applicable provisions of the Act and rules made thereunder and Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations 2018 including, *inter-alia*, issuance of a letter of offer by Mastek shall be required to be passed or undertaken.

12. ACCOUNTING TREATMENT

The Demerged Company and Resulting Companies shall comply with generally accepted accounting practices in India, provisions of the Act and accounting standards as notified by Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, in relation to the underlying transactions in the Scheme including but not limited to the following:

12.1 In the books of the Demerged Company:

Upon the Scheme coming into effect, the Demerged Company shall account for the Scheme in its books of account in accordance with the accounting standards prescribed under Section 133 of the Act in the following manner:

12.1.1 The Demerged Company shall transfer all assets and liabilities pertaining to the Demerged Undertaking as on the Appointed Date at the values appearing in its books of accounts immediately before the Appointed Date in accordance with the provision of Section 2(19AA) of the Income Tax Act; and

12.1.2 The books value of the net assets derecognized as per 12.1.1 above shall be recognized in the statement of profit and loss account;

12.2 In the books of the Resulting Companies:

12.2.1 Mastek

Upon this Scheme coming into effect, Mastek shall account for the Scheme in its books of account, as on the appointed date, in the following manner:

- (a) Mastek shall credit its share capital account with the aggregate face value of the equity shares issued pursuant to Clause 11.1 above of this Scheme and the difference between the aggregate fair value as on the Appointed Date, and the aggregate face value of such equity shares shall be credited to the securities premium account.
- (b) the aggregate amount of the share capital and securities premium recorded above shall be recorded as debit in investments in subsidiary i.e. TAISPL.
- (c) Further, the option given by Mastek over TAISPL CCPS, shall be recognized at its fair value as on the Appointed Date, as a liability with a corresponding debit in investments in subsidiary i.e. TAISPL.

12.2.2 TAISPL

Upon this Scheme coming into effect, TAISPL shall account for the Scheme in its books of account, as on the Appointed Date, in the following manner:

- (a) TAISPL shall record the assets and liabilities pertaining to the Demerged Undertaking (whether recorded or not in the books of the Demerged Company), transferred to and vested in it pursuant to this Scheme, at their respective fair values, as on the Appointed Date.
- (b) TAISPL shall credit its share capital account with the face value of TAISPL CCPS issued in accordance with Clause 11.1 above and the difference between the aggregate fair value and the face value of such TAISPL CCPS shall be credited to the securities premium account.
- (c) TAISPL shall record the aggregate value of equity shares issued by Mastek and fair value of options as referred in 12.2.1 (c) as deemed equity contribution. TAISPL would compute the purchase consideration in accordance with the principles of Ind AS 103 which shall be the sum of fair value of the shares issued by Mastek, fair value option as referred in 12.2.1 (c) and fair value of the compulsorily convertible preference shares issued by TAISPL as on the Appointed Date.
- (d) The difference between fair value of purchase consideration as computed in Clause 12.2.2(c) above and the value of Net Assets ("Net Assets" means excess of the fair value of assets over the fair value of liabilities as per Clause 12.2.2(a) above) pertaining to the Demerged Undertaking shall be recognised as goodwill, if positive (debit balance), or capital reserve, if negative (credit balance).

PART III

GENERAL TERMS AND CONDITIONS

13. REMAINING BUSINESS OF THE DEMERGED COMPANY

- 13.1 The Remaining Business of the Demerged Company shall constitute primarily the India focus business carried on by the Demerged Company in India and all the assets, investments, liabilities and obligations of the Demerged Company pertaining to such business, shall continue to belong to and be vested in and be managed by the Demerged Company. With effect from the Effective Date, only the Demerged Company shall be liable to perform and discharge all liabilities and obligations in relation to the Remaining Business of the Demerged Company and TAISPL shall not have any liability or obligation in relation to the Remaining Business of the Demerged Company.
- 13.2 All legal, Tax and / or other proceedings by or against the Demerged Company under any statute, whether pending on the Effective Date or which may be instituted at any time thereafter, and relating to the Remaining Business of the Demerged Company (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business of the Demerged Company) shall be continued and enforced against the Demerged Company. The Resulting Companies shall in no event be responsible or liable in relation to any such legal, Tax or other proceedings in relation to the Remaining Business of the Demerged Company.
- 13.3 If any of the Resulting Companies is in receipt of any demand, claim, notice and / or are impleaded as a party in any proceedings before any Appropriate Authority, in each case in relation to the Remaining Business of the Demerged Company, the Resulting Companies shall, in view of the transfer and vesting of the Demerged Undertaking, pursuant to this Scheme, take all such steps in the proceedings before the Appropriate Authority to substitute the Resulting Companies with the Demerged Company. However, if the Resulting Companies, are unable to get the Demerged Company so substituted in such proceedings, they shall defend the same or deal with such demand in accordance with the advice of the Demerged Company and at the cost of the Demerged Company and the latter shall reimburse the Resulting Companies, against all liabilities and obligations incurred by or against the Resulting Companies, in respect thereof.

14. DIVIDENDS

- 14.1 The Parties shall be entitled to declare and pay dividends to their respective shareholders in the Ordinary Course of Business, whether interim or final.
- 14.2 It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any shareholder of any of the Parties, as the case may be, to demand or claim or be entitled to any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Board of respective Parties, and subject to approval, if required, of the shareholders of the respective Parties.

15. BUSINESS UNTIL EFFECTIVE DATE

15.1 With effect from the start of business on the Appointed Date and till the Effective Date:

15.1.1 The Demerged Company shall carry on and shall be deemed to have carried on all its business and operations relating to the Demerged Undertaking as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the Demerged Undertaking on account of, and for the benefit of, and in trust for, the Resulting Companies.

15.1.2 All the profits or incomes accruing or arising to the Demerged Company and all expenditure or losses arising or incurred (including all taxes, if any, paid or accruing in respect of any profits and income) by the Demerged Company in relation to the Demerged Undertaking shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or as the case may be, expenditure or losses (including taxes) of the Resulting Companies.

15.1.3 Any of the rights, powers, authorities and privileges attached or related or pertaining to the Demerged Company and exercised by or available to the Demerged Company, in relation to the Demerged Undertaking shall be deemed to have been exercised by the Demerged Company for and on behalf of and as an agent for the Resulting Companies. Similarly, any of the obligations, duties and commitments attached, relating or pertaining to the Demerged Undertaking that have been undertaken or discharged by the Demerged Company shall be deemed to have been undertaken or discharged for and on behalf of and as an agent for the Resulting Companies.

15.2 With effect from the date of approval of the Scheme by the respective Boards of the Demerged Company and the Resulting Companies and up to and including the Effective Date, the Resulting Companies shall and ESPL shall ensure that (except as may be approved in writing by TAISPL) the Demerged Undertaking, taken as a whole, is carried on in the Ordinary Course of Business as carried on as of the Appointed Date, other than as required to give effect to the provisions of this Scheme in accordance with Applicable Law. The Demerged Company shall, with respect to the Demerged Undertaking, carry on the business with reasonable diligence and business prudence and in the same manner as the Demerged Company had been doing hitherto. Further, TAISPL shall be entitled, pending the sanction of the Scheme, to apply to the Appropriate Authorities concerned as necessary under Applicable Law for such consents, approvals and sanctions which TAISPL may respectively require to carry on the relevant business of the Demerged Company and to give effect to the Scheme.

15.3 Further, ESPL hereby undertakes, agrees and covenants with the Resulting Companies that, except as expressly consented to by TAISPL in writing or as contemplated under this Scheme or except if it pertains to the Excluded Assets, ESPL shall not outside the Ordinary Course of Business:

15.3.1 commence any new line of business or discontinue any existing line of business;

15.3.2 amend its Charter Documents;

- 15.3.3 cancel or amend the insurance policies in relation to its business;
- 15.3.4 take any such action as is reasonably likely to prevent or materially delay the satisfaction of one or more conditions precedent or consummation of the transactions contemplated under the Scheme;
- 15.3.5 (i) solicit, initiate or take any action to facilitate or encourage any inquiries or the making of any proposal from a Person or group of Persons, other than the Resulting Companies, that constitute, or could reasonably be expected to result in a direct or indirect acquisition of all or any part of Demerged Undertaking, ("**Alternate Transaction**"); (ii) enter into or participate in any discussions or negotiations with any Person or group of Persons, regarding an Alternate Transaction; (iii) furnish any non-public information relating to ESPL or the Demerged Undertaking or afford access to the assets, business, properties, books or records of the Demerged Undertaking or ESPL to any Person or group of Persons, other than the Resulting Companies or their Affiliates, in each case for the purpose of assisting with or facilitating an Alternate Transaction; or (iv) enter into an Alternate Transaction or any agreement, arrangement or understanding, including, without limitation, any letter of intent, term sheet or other similar document, relating to an Alternate Transaction;
- 15.3.6 take any action to change its accounting policies or procedures other than as required under Applicable Law;
- 15.3.7 issue (including by way of bonus issues), grant, allot, repurchase, redeem, reorganize or cancel any equity securities or convertible securities or options in respect of such securities or otherwise make any change in its capital structure and / or capital structure of the Identified Investments, any change in class rights for securities, or modify or adopt or allocate any equity option or acceleration of any vesting thereunder;
- 15.3.8 invest whether by way of subscription to or acquisition of shares, debentures or other securities of any other entity (whether new or existing) or invest by way of deposits or advances to such other entities, including any acquisition, transfer, disposal, or creation of any Encumbrance on or in respect of such investments or any rights therein or the restructuring of any rights attached to such investments;
- 15.3.9 make any divestments, sale or acquisition of business (whether by way of purchase of shares, assets or properties);
- 15.3.10 incur any borrowings, loans or undertake any other Indebtedness or create any Encumbrance on their assets, over and above the existing sanctioned borrowing limits;
- 15.3.11 enter into / amend any customer or vendor agreement requiring a payment by ESPL of more than INR 71,00,000 (Indian Rupees Seventy one lakhs);
- 15.3.12 undertake any merger, reorganization, spin-off, consolidation or any other similar form of corporate or debt restructuring;

- 15.3.13 enter into or amend any agreement or incur any commitment which (i) is not capable of being terminated without compensation at any time with 3 (three) months' notice or less; or (ii) is not in the Ordinary Course of Business; or (iii) involves or may involve total general, capital and administrative expenditure in excess of INR 71,00,000 (Indian Rupees Seventy one lakhs);
 - 15.3.14 commence any proceeding or other action for voluntary liquidation or winding up or insolvency proceedings of ESPL or any of the Identified Investments, or consent to the filing of any such proceeding or enter into any compromise or arrangement with its creditors or appointment of any receiver or administrator;
 - 15.3.15 terminate the employment of any Key Employee or compel, influence or require any employees to leave / resign from their respective employment;
 - 15.3.16 transfer, assign, sell, pledge, mortgage, dispose, lease, or Encumber any of their respective assets, tangible or intangible;
 - 15.3.17 take, or agree or commit to take, any action that would result in the occurrence of any of the foregoing; and
 - 15.3.18 declare or pay any dividends or distributions except dividends distributed from the distributable profits arising out of the Remaining Business of the Demerged Company.
- 15.4 Without prejudice to the generality of Clause 15.3 above, during the period between the Appointed Date and Effective Date, ESPL shall, with respect to the Demerged Undertaking:
- 15.4.1 take necessary steps to maintain or renew approvals obtained by them which are material to the operation of their respective business;
 - 15.4.2 comply in all material respects with Applicable Law, and take necessary steps to maintain or renew approvals obtained by it which are material to the operation of its business;
 - 15.4.3 respond to, or comply with (as applicable), notices, directions and orders of Appropriate Authorities as may be issued from time to time;
 - 15.4.4 not make, or not agree to make, any payment of cash or distribute assets of the Demerged Undertaking other than in the Ordinary Course of Business or disposal of any asset of the Demerged Undertaking;
 - 15.4.5 pay their accounts payable and other obligations consistent with its Ordinary Course of Business; perform its obligations under all agreements to which it is a party (or Identified Investments are a party) and by which ESPL or any of its assets are bound or affected or pursuant to which ESPL is an obligor or beneficiary in the Ordinary Course of Business

- 15.4.6 immediately notify TAISPL regarding termination of the employment of any Key Employees;
 - 15.4.7 immediately notify TAISPL of the receipt of any written offer, indication of interest, proposal or inquiry relating to an Alternate Transaction, such notice to include the material terms thereof, including the identity of the Person or group of Persons involved, and shall promptly inform TAISPL of any modifications to such terms;
 - 15.4.8 promptly inform TAISPL of the occurrence of any MAC Event;
 - 15.4.9 provide: (i) to the Resulting Companies or their Affiliates such information, as is reasonably requested by them; and (ii) to the Resulting Companies or their Affiliates and their respective representatives, reasonable access to the books, accounts, records, properties, facilities of ESPL;
 - 15.4.10 undertake best efforts to preserve and protect the Demerged Undertaking and its present relationships and agreements with customers, suppliers, distributors and other persons which are to be transferred to the Resulting Companies pursuant to this Scheme;
 - 15.4.11 maintain the Books and Records consistent with the past custom and practice of ESPL, except for any changes required pursuant to this Scheme; and
 - 15.4.12 pay their accounts payable and other obligations consistent with their past customs and practices when they become due and payable in accordance with existing practices.
- 15.5 For the purpose of giving effect to the order passed under Sections 230 to 232 and other applicable provisions of the Act in respect of this Scheme by the NCLT, TAISPL shall, at any time pursuant to the orders approving this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the demerger of the Demerged Undertaking in accordance with the provisions of Sections 230 to 232 of the Act. TAISPL shall always be deemed to have been authorized to execute any pleadings, applications, forms etc., as may be required to remove any difficulties and facilitate and carry out any formalities or compliances as are necessary for the implementation of this Scheme. For the purpose of giving effect to the vesting order passed under Section 232 of the Act in respect of this Scheme, TAISPL shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfil all obligations in relation to or applicable to all immovable properties including mutation and / or substitution of the ownership or the title to or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authorities in favour of TAISPL pursuant to the sanction of this Scheme by the NCLT and upon the effectiveness of this Scheme in accordance with the terms hereof, without any further act or deed to be done or executed by TAISPL. It is clarified that TAISPL shall be entitled to engage in such correspondence and make such representations, as may be necessary, for the purposes of the aforesaid mutation and / or substitution.

16. PROPERTY IN TRUST

- 16.1 Notwithstanding anything contained in this Scheme, on or after the Effective Date, until any property, asset, license, approval, permission, contract, agreement and rights and benefits arising therefrom pertaining to the Demerged Undertaking, as the case may be, are transferred, vested, recorded, effected and/ or perfected, in the records of any Appropriate Authority, regulatory bodies or otherwise, in favour of TAISPL, as the case may be, such Resulting Companies are deemed to be authorized to enjoy the property, asset or the rights and benefits arising from the license, approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement. It is clarified that till entry is made in the records of the Appropriate Authorities and till such time as may be mutually agreed by the relevant Parties, the Demerged Company will continue to hold the property and/or the asset, license, permission, approval, contract or agreement and rights and benefits arising therefrom, as the case may be, in trust for and on behalf of TAISPL, as the case may be.

17. FACILITATION PROVISIONS

- 17.1 Immediately upon the Scheme being effective, the Parties shall enter into agreements as may be necessary, *inter alia*, in relation to use by the Parties of office space, infrastructure facilities, information technology services, security personnel, legal, administrative and other services, etc. on such terms and conditions that may be mutually agreed between the Parties.
- 17.2 It is clarified that the approval of this Scheme by the shareholders of the Parties under Sections 230 to 232 of the Act shall be deemed to have their approval under Section 188 of the Act and any other applicable provisions of the Act and that no separate approval from the shareholders to that extent will be required to be sought by any of the Parties.

18. APPLICATION / PETITIONS TO NCLT

- 18.1 The Parties shall dispatch, make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act before the NCLT, under whose jurisdiction the registered offices of the respective Parties are situated, for sanction of this Scheme under the provisions of Applicable Law and shall apply for such approvals as may be required under Applicable Law.
- 18.2 The Parties shall be entitled, pending the sanction of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals which the Parties may require to own the assets and / or liabilities of the Demerged Undertaking and to carry on the business of the Demerged Undertaking.

19. MODIFICATION OR AMENDMENTS TO THIS SCHEME

- 19.1 On behalf of each of the Parties, the Board of the respective Parties acting themselves or through authorized Persons, may consent jointly but not individually, on behalf of all Persons concerned, to any modifications or amendments to this Scheme at any time and for any reason whatsoever, or to any conditions or limitations that the NCLT or any other Appropriate

Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by all of them (i.e., the Boards of the Parties) and solve all difficulties that may arise for carrying out this Scheme and do all acts, deeds and things necessary for putting this Scheme into effect.

- 19.2 For the purposes of giving effect to this Scheme or to any modification hereof, the Boards of the Parties acting themselves or through authorized Persons may jointly but not individually, give and are jointly authorised to give such directions including directions for settling any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all Parties, in the same manner as if the same were specifically incorporated in this Scheme.

20. CONDITIONS PRECEDENT TO THE SCHEME

- 20.1 Unless otherwise decided (or waived) by the relevant Parties, the Scheme is conditional upon and subject to the following conditions precedent:

20.1.1 obtaining no-objection/ observation letter from the Stock Exchanges in relation to the Scheme under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015;

20.1.2 The Scheme shall be acted upon only if the votes cast by the public shareholders of Mastek in favour of the proposal are more than the number of votes cast by the public shareholders of Mastek against it, as required under the SEBI Circular. The term 'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957;

20.1.3 approval of the Scheme by the requisite majority of each class of shareholders (including public shareholders) and / or creditors of the Parties and such other classes of Persons, if any, as applicable or as may be required under the Act, Applicable Law (including requirements set forth under SEBI Circular) and as may be directed by the NCLT;

20.1.4 the sanctions and orders of the NCLT, under Sections 230 to 232 of the Act being obtained by the Parties;

20.1.5 certified/ authenticated copies of the orders of the NCLT, sanctioning the Scheme, being filed by each of the Parties with the Registrar of Companies having jurisdiction over the Parties; and

20.1.6 the requisite consent, approval or permission of Appropriate Authority or any other Person which by Applicable Law or contract, agreement may be necessary for the implementation of this Scheme.

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

- 20.3 This Scheme for demerger and vesting of the Demerged Undertaking on a *going concern* basis constitutes one composite Scheme.

20.4 On the approval of this Scheme by the shareholders of the Demerged Company, the Resulting Companies and such other classes of Persons of the Resulting Companies, if any, pursuant to Clause 20.1.2 above, such shareholders and classes of Persons shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the demerger, transfer, capital reduction, authorised share capital reclassification set out in this Scheme, related matters and this Scheme itself.

21. NON-RECEIPT OF APPROVALS AND REVOCATION / WITHDRAWAL OF THIS SCHEME

21.1 The Parties acting jointly through their respective Boards shall each be at liberty to withdraw from this Scheme.

21.2 In the event the Scheme not being sanctioned by the NCLT, and/or the order or orders not being passed as aforesaid on or before such date as may be agreed to by the Parties, this Scheme shall become null and void.

21.3 In the event of revocation / withdrawal of the Scheme under Clause 21.1 or Clause 21.2 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Parties or their respective shareholders or creditors or employees or any other Person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with Applicable Law.

22. COSTS AND EXPENSES

All costs, charges and expenses payable in relation to or in connection with this Scheme and incidental to the completion of the transfer and vesting of the Demerged Undertaking in the Resulting Companies in pursuance of this Scheme including stamp duty on the order(s) of the NCLT, if any, to the extent applicable and payable shall be borne and paid by the Demerged Company, including in the event of this Scheme not taking effect as provided in Clause 21 above.

23. SAVING OF CONCLUDED TRANSACTIONS

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

SCHEDULE I

TERMS AND CONDITIONS OF COMPULSORILY CONVERTIBLE PREFERENCE SHARES

Each TAISPL CCPS shall be subject to the terms and conditions contained herein.

1. Face Value

Each TAISPL CCPS shall have a face value of INR 10 (Indian Rupees Ten).

2. Voting Rights

A holder of TAISPL CCPS will not have voting rights until the TAISPL CCPS is converted into equity shares.

3. Coupon

Each TAISPL CCPS shall be a non-cumulative preference share and shall entitle the holder thereof to 0.001% dividend per annum on the face value of the TAISPL CCPS. Apart from such fixed dividends, the holders of the TAISPL CCPS shall have the right to receive dividend *pari passu* with the holders of the other equity shares in TAISPL in accordance with the provisions of the Agreement.

4. Conversion

4.1 Each TAISPL CCPS shall at the option of the holder, be converted into 1 (one) equity share at any time after expiry of 6 (six) years from date on which the TAISPL CCPS is issued.

4.2 Each TAISPL CCPS shall automatically be converted into 1 (one) equity share upon the expiry of a period of 8 (eight) years from the date on which the TAISPL CCPS is issued.

4.3 Upon being requested by the holder of the TAISPL CCPS to convert the TAISPL CCPS into equity shares or on the date on which the TAISPL CCPS automatically become convertible into equity shares, TAISPL shall:

4.3.1 convene a meeting of its Board of Directors, in which meeting TAISPL shall approve the conversion of the relevant TAISPL CCPS and issuance of equity shares pursuant to such conversion;

4.3.2 cancel the share certificates representing the relevant TAISPL CCPS and issue duly stamped share certificates in the name of the holder of the TAISPL CCPS being converted to reflect such holder as the owner of the equity shares being issued upon conversion;

4.3.3 file with the jurisdictional Registrar of Companies relevant forms in respect of allotment of the equity shares upon conversion of the relevant TAISPL CCPS and provide the holder of the TAISPL CCPS with certified true copies of such form, duly filed with the jurisdictional Registrar of Companies, along with receipts in respect of such forms; and

4.3.4 do all such acts and deeds as may be required to give effect to the conversion of the TAISPL CCPS.

5. Conversion Term Adjustment

- 5.1 If TAISPL should at any time fix a record date for the effectuation of a split or subdivision of the outstanding equity shares or the determination of holders of equity shares entitled to receive a distribution payable in additional equity shares or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly, additional equity shares (hereinafter referred to as “**Equity Shares Equivalents**”) without payment of any consideration by such holder for the additional equity shares or the Equity Shares Equivalents (including the additional equity shares issuable upon conversion), then, as of such record date (or the date of such dividend distribution, split or subdivision if no record date is fixed), the conversion terms of the TAISPL CCPS shall be appropriately modified so that the number of equity shares issuable on conversion of each TAISPL CCPS shall be increased in proportion to such increase of the aggregate of equity shares outstanding and those issuable with respect to such Equity Shares Equivalents.
- 5.2 If the number of equity shares outstanding at any time is decreased by a combination / consolidation of the outstanding equity shares, then, following the record date of such combination / consolidation, the conversion terms for the TAISPL CCPS shall be appropriately modified so that the number of equity shares issuable on conversion of each TAISPL CCPS shall be decreased in proportion to such decrease in outstanding shares.
- 5.3 If at any time or from time to time, with the prior written consent of the New Shareholders, there shall be a recapitalization or reclassification of the equity shares (including any such reclassification in connection with a consolidation or merger in which TAISPL is the continuing corporation), provision shall be made so that the holders of the TAISPL CCPS shall thereafter be entitled to receive upon conversion of the TAISPL CCPS the number of shares or other securities or property of TAISPL or otherwise, to which a holder of equity shares deliverable upon conversion would have been entitled on such recapitalization. In any such case, appropriate adjustment shall be made in the application of the provisions of this Schedule with respect to the rights of the holders of the TAISPL CCPS after the recapitalization to the end that the provisions of this Schedule (including adjustment of the conversion terms then in effect and the number of shares issuable upon conversion of the TAISPL CCPS) shall be applicable after that event as nearly equivalent as may be practicable.
- 5.4 Upon the occurrence of each adjustment of the conversion terms of the TAISPL CCPS pursuant to this paragraph 5, TAISPL, at its expense, shall promptly compute such adjustment in accordance with the terms hereof and prepare and furnish to each holder of the TAISPL CCPS a certificate setting forth such adjustment and showing in detail the facts upon which such adjustment is based. TAISPL shall, upon the written request at any time of any holder of TAISPL CCPS, furnish or cause to be furnished to such holder a certificate setting forth (i) such adjustment and readjustment, (ii) the conversion terms for such TAISPL CCPS at the time in effect, and (iii) the number of equity shares and the amount, if any, of other property that at the time would be received upon the conversion of a share of TAISPL CCPS.

5.5 In the event that, for any reason whatsoever, the provisions hereof cannot be effectuated (either fully or partially), then, the shareholders shall endeavour in good faith to achieve the commercial intent of the aforesaid provisions to the maximum extent possible and for this purpose shall take all such actions as ESPL may request.

6. **Governing law**

Each TAISPL CCPS will be governed and construed in accordance with the laws of India.

7. **Amendments**

The rights, privileges and conditions attached to each TAISPL CCPS may be varied, modified or abrogated only with the prior consent of the holder of the TAISPL CCPS, in accordance with the terms of the articles of TAISPL and Applicable Law.