

SCHEME OF ARRANGEMENT

OF

**MANIPAL GLOBAL EDUCATION SERVICES PRIVATE LIMITED
(Demerged Company)**

AND

**UNEXT LEARNING PRIVATE LIMITED
(FORMERLY MANIPAL TRAINING SERVICES PRIVATE LIMITED)
(Resulting Company)**

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

**(UNDER SECTIONS 230 TO 232 READ WITH SECTION 52 AND SECTION
66 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT,
2013 AND) RULES, MADE THEREUNDER)**

GENERAL

PREAMBLE

This Scheme of Arrangement ("**Scheme**", as more particularly defined hereunder) is presented under Sections 230-232 read with Section 52 and Section 66 and other applicable provisions of the Companies Act, 2013 and Companies (Compromises, Arrangements, Amalgamations) Rules, 2016 between Manipal Global Education Services Private Limited ("**Demerged Company**"), and Unext Learning Private Limited ("**Resulting Company**"), and their respective shareholders and creditors. The Scheme provides *inter-alia* for the demerger of the Demerged Undertaking (as defined below) of the Demerged Company to the Resulting Company ("**Demerger**").

BACKGROUND

(a) The Demerged Company is a private limited company incorporated under the provisions of the Companies Act, 1956, with Corporate Identification Number U74140KA2001PTC029678 and having its registered office at Fifth Floor, Prestige Emerald, # 4, Madras Bank Road Bangalore Karnataka 560001 India. It was incorporated on August 03, 2004. The main object of the Demerged Company are:

- i. To provide all or any types, descriptions, classifications, kinds, forms and varieties of services, including but not limited to information technology services, communications services, information technology enabled services, call center services, customer interaction services, back-office services, contact center services, customer center services, hot desk services, help line services, technical support services, reservation related services, sales center services, content development services, geographic information system services, human resource services, insurance claim processing services, website services, remote education services, data search services, market research services, management services marketing services, advertising services, services relating to sales, distribution services, contractual services, support services, administrative services, managerial services, business services, technical services, development services, organizational services, technological services, engineering services, maintenance services, training services, education services, information services, systems services, software services, knowledge based services, planning services, research services and all or any types, descriptions, classifications, kinds, forms and varieties of support and / or solutions, to all or any forms, types, descriptions and varieties of corporations, trusts, firms, societies, associations, agencies, individuals, organizations, departments, divisions, commissions, boards, authorities or other entities whatsoever.

(b) The Resulting Company is a private limited company incorporated under the provisions of the Companies Act, 1956 on 07th September 2009 with corporate identification number U80302KA2009PTC050865 and having its registered office at No. 1/1, Swami Vivekananda Road, Off MG Road, Near Trinity Circle, Halasuru Bangalore Karnataka 560008 India. The main object of the Resulting Company are:

- i. to act as a benchmark certifying/accrediting body for vocational training programmes and to establish certification programmes accepted globally by students and industry, to carry on the business by imparting, promoting and providing basic-skilled, advanced and post-advanced skills training programmes and short term courses across a variety of sectors including but not limited to construction, auto technician course, security, retail & distribution, training in banking sector, financial services & insurance, media & entertainment, English language training, healthcare, hospitality & catering, hair & beauty, telecom, Instrumentation technology, engineering, transport & logistics, fast moving consumer goods, electronics, consumer durables, agriculture, manufacturing & processing, sports and recreation, travel & tourism and other sectors, leading to employment through a network of franchised partners by introducing policies and standards of training, updated training technologies, multi-skilling, cross-skilling, infrastructure facilities, preparing training curricula, conducting trade tests and awarding of certificates for imparting practical, result-oriented programmes.
- ii. To provide all or any types, descriptions, classifications, kinds, forms and varieties of services, including but not limited to training services, education services, information services, systems services, software services, knowledge based services, computer related work including data collection, survey, data processing, data entry, computer aided drafting and designing, computer aided desk top publishing, multimedia applications, communication network, internet and its applications, e-commerce and platform based services using various software including learning management system and services developed by the Company or procured from the market, information technology services, communications services, information technology enabled services, call center services, customer interaction services,

back-office services, contact center services, customer center services, hot desk services, help line services, technical support services, reservation related services, sales center services, content development services, geographic information system services, human resource services, insurance claim processing services, website services, remote education services, data search services, market research services, management services marketing services, advertising services, services relating to sales, distribution services, contractual services, support services, administrative services, managerial services, business services, technical services, development services, organizational services, technological services, engineering services, maintenance services, planning services, research services

I. Purpose of Scheme

1.1 This Scheme of Arrangement (“Scheme” defined hereinafter) is presented under Sections 230 to 232 of the Act read with Section 52 and Section 66 of the Act (defined hereinafter) and all other applicable provisions of the Act (defined herein after) amongst Manipal Global Education Services Private Limited (“MaGE”) and Unext Learning Private Limited (“Unext”). This Scheme is presented for Demerger of Identified Business (defined hereinafter) of MaGE into Unext.

1.2 The Demerged Undertaking (defined hereinafter) comprising of the training business of MaGE into Unext and in consideration, the consequent issuance of equity shares by Unext to all the shareholders of MAGE, in accordance with the share entitled ratio (as defined hereinafter) pursuant to provisions of Section 2(19AA) read with Section 2(41A) and other relevant provisions of the IT Act (as defined hereinafter) (“Demerger”) and various other matters consequential or otherwise literally connected therewith.

II. Rationale for the Scheme

The demerger is in the best interest of Manipal Global Education Services Private Limited and Unext Learning Private Limited and their respective shareholders,

creditors, employees, and other stakeholders as it is expected inter-alia to result in the following benefits.:

1. Attract different set of investors, strategic partners to scale up the size, operations and specialization of the Demerged Undertaking (defined herein after). Therefore, the Demerged Undertaking (defined herein after) of Manipal Global Education Services Private Limited is proposed to be transferred by way of demerger into Unext Learning Private Limited.
2. Result in improving the financial position of both the companies and create industry leading revenue growth and generating sustainable profits in future. Further, demerger will provide for diverse, strategic options and flexibilities arising from proposed demerger.
3. Enable the companies to cross-sell and up-sell opportunities as part of single legal entity and achieve higher client penetration, enhance the active client base, create a wider customer base and thereby significantly reduce the risks associated with super specialization and standalone businesses.
4. Operational Integration and better facility utilization: Pursuant to demerger in accordance with this Scheme will provide an opportunity for reduction of operations costs are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business processes, productivity improvements, improved procurement, combined sourcing and usage of common resource pool like human resource, administration, finance, accounts, legal, technology and other related functions, leading to elimination of duplication and rationalization of administrative expenses.
5. Various other synergies consequential and/ or integrally connected therewith

Accordingly, the Board of Directors of the respective companies have formulated this Scheme under Section 230 to 232 of the Act and read with Section 52 and Section 66 of the Act and other relevant provisions of the Act (defined hereinafter).

III. Parts of the Scheme

The Scheme is divided into the following parts:

1. **Part A** - dealing with definitions of the capitalized terms used in this Scheme and sets out the share capital Manipal Global Education Services Private Limited and Unext Learning Private Limited;
2. **Part B** - dealing with demerger of the Demerged Undertaking of Manipal Global Education Services Private Limited into Unext Learning Private Limited.
3. **Part C** - general terms and other conditions applicable to this Scheme and other matters consequential and integrally connected thereto.

PART A

1. DEFINITIONS

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

- 1.1 **“Act”** means the Companies Act, 2013 and shall include rules, regulations, circulars, guidelines issued thereunder and shall, if the context requires and as applicable, any rules, regulations, circulars or guidelines issued thereunder, any statutory modification, re-enactment or amendments thereof to the extent of its provisions in force from time to time.
- 1.2 **“Appointed Date”** means April 1, 2022 or such other time and date as the Tribunal may direct / fix.
- 1.3 **“Board of Directors”** or **“Board”** means the board of directors of any of Unext (defined hereinafter) and/or MaGE (defined hereinafter), as the case may be, and shall include a duly constituted committee thereof for implementation of this Scheme.
- 1.4 **“Companies”** means MaGE and Unext collectively, and **“Company”** shall mean any of them as the context may require.
- 1.5 **“Demerged Undertaking”** or **“Identified Business”** means whole of the undertaking of training businesses (comprising of Banking Financial Services and Insurance, global skills training business of MaGE along with investments held in securities of companies engaged in allied business in India as a going concern and shall mean and include, without limitation all the activities, operations, assets, properties whether movable or immovable (wheresoever situated), tangible or intangible including goodwill, whether recorded in the books or not or in possession or not, corporeal or incorporeal, in each case wherever situated (including plant and machinery, capital work in progress, furniture and fixture, fixed assets, appliances, accessories, office

equipment, communication facilities, installation, vehicles, inventories, current assets, earnest monies, promissory note, outstanding loans, liabilities and obligations or provisions, employees and contracts of the Identified Business.

- 1.6 **“Effective Date” or “coming into effect of the Scheme” or “On the Scheme becoming effective”** means the last of the dates on which the certified true copies of the order of the Tribunal sanctioning the Scheme are filed with the Registrar of Companies, Karnataka at Bengaluru by Unext (defined hereinafter) and MaGE (defined hereinafter), who are parties to this Scheme. The Scheme shall be effective from the Appointed Date.
- 1.7 **“Government Authority”** means any applicable Central, State or local Government, legislative body, regulatory, statutory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction
- 1.8 **“Indian Accounting Standards” or “IND AS”** means Indian Accounting Standards notified under the Act , Rules thereof or any addendum thereto and amendments (if any) from time to time, as may be notified by Central Government through Ministry of Corporate Affairs in consultation with the National Advisory Committee and shall include National Financial Reporting Authority, as may be applicable.
- 1.9 **“IT Act”** means the Income Tax Act, 1961 and shall include any statutory modifications, re-enactments or amendments thereof and the rules made thereunder, for the time being in force;
- 1.10 **“MaGE” or “Demerged Company”** means Manipal Global Education Services Private Limited, a company incorporated on October 22, 2001 under the Companies Act, 1956, bearing CIN U74140KA2001PTC029678 and having its registered office at Fifth Floor, Prestige Emerald, # 4, Madras Bank Road, Bangalore - 560 001.

- 1.11 **“Remaining Business”** means all divisions, undertakings, businesses, activities and operations of MaGE excluding those comprised in its Demerged Undertaking.
- 1.12 **“Scheme” or “the Scheme” or “this Scheme”** means this Scheme in its present form or with any modification(s), if any, made under clause 19 of this Scheme, as approved or directed by the Tribunal (defined herein after).
- 1.13 **“Tribunal”** means the bench of the National Company Law Tribunal at Bengaluru that has been constituted under the Act having jurisdiction over Unext (defined hereinafter) and MaGE (defined hereinafter).
- 1.14 **“Unext” or “Resulting Company”** means Unext Learning Private Limited (formerly Manipal Training Services Private Limited), a company incorporated under the Companies Act, 1956, bearing CIN U80302KA2009PTC050865 and having its registered office at No. 1/1, Swami Vivekananda Road, Off MG Road, Near Trinity Circle, Halasuru, Bengaluru - 560 008.

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, and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modifications or re-enactments thereof from time to time.

2. SHARE CAPITAL

2.1 Details of the share capital of Unext as at March 31, 2022, is given below:

2.2

Authorized Capital	Amount (INR)
4,20,00,000 Equity shares of INR 10/- each	42,00,00,000
1,50,00,000 Preference share of INR 10/- each	15,00,00,000
Issued, Subscribed and Paid-up Capital	Amount (INR)
4,09,86,677 Equity shares of INR 10/- each	40,98,66,770
3,08,174 0.0001% Compulsory Convertible Preference shares	30,81,740
Total	41,29,48,510

Subsequent to March 31, 2022, Unext has increased the authorized share capital and Issued, Subscribed and Paid-up Capital as per below.

Authorized Capital	Amount (INR)
4,75,00,000 Equity shares of INR 10/- each	47,50,00,000
1,50,00,000 Preference share of INR 10/- each	15,00,00,000
Issued, Subscribed and Paid-up Capital	Amount (INR)
4,22,53,087 Equity shares of INR 10/- each	42,25,30,870
4,81,129 0.0001% Compulsory Convertible Preference shares of INR 10/- each	48,11,290
Total	42,73,42,160

Subsequent to above and till date of approval of this Scheme there has been no change in the share capital of Unext.

2.3 Details of the share capital of MaGE as at March 31, 2022, is given below:

Authorized Capital	Amount (INR)
11,00,00,000 Equity shares of INR 5/- each	55,00,00,000
6,00,000 Preference shares of INR 100/- each	6,00,00,000

50,00,000 Optionally Convertible Redeemable Preference Shares of INR 10/- each	5,00,00,000
Total	66,00,00,000
Issued, Subscribed and Paid-up Capital	Amount (INR)
9,75,99,799 Equity shares of INR 5/- each	48,79,98,995
45,500 Preference Shares of INR 100/- each	45,50,000
Total	49,20,50,000

Subsequent to March 31, 2022, MaGE has increased the authorized share capital and Issued, Subscribed and Paid-up Capital as per below:

Authorized Capital	Amount (INR)
11,00,00,000 Equity shares of INR 5/- each	55,00,00,000
6,00,000 Preference shares of INR 100/- each	6,00,00,000
50,00,000 Optionally Convertible Redeemable Preference Shares of INR 10/- each	5,00,00,000
Total	66,00,00,000
Issued, Subscribed and Paid-up Capital	Amount (INR)
9,75,99,799 Equity shares of INR 5/- each	48,79,98,995
Total	48,79,98,995

3. CHANGE IN CAPITAL STRUCTURE

3.1 Notwithstanding anything else contained in this Scheme, during the pendency of the Scheme, Unext is expressly authorized to raise capital for the purpose of funding growth or any other purpose, in any manner as considered suitable by the Board of Directors, whether by means of rights issue, preferential issue, public issue or any other manner whatsoever. Further, such funds may be raised by means of any instrument considered suitable by the Board of Directors, including equity/ equity linked instruments, convertible/ non-convertible preference shares/ debentures/ bonds, etc.

4. DATE OF TAKING EFFECT AND OPERATIVE DATE

4.1 The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Tribunal shall be effective from the Appointed Date mentioned herein, but shall be operative from the Effective Date.

PART B

DEMERGER OF DEMERGED UNDERTAKING OF MANIPAL GLOBAL EDUCATION SERVICES PRIVATE LIMITED INTO UNEXT LEARNING PRIVATE LIMITED

5. TRANSFER AND VESTING OF DEMERGED UNDERTAKING

5.1 Upon the coming into effect of this Scheme and with effect from Appointed Date, the Demerged Undertaking of MaGE in its entirety all properties /assets (tangible or intangible assets including goodwill) and Liabilities of Demerged Undertaking shall, pursuant to Sections 230 to 232 of the Act and any other relevant provisions of the Act (as may be applicable) and without any further act, instrument, deed, matter, or thing, be transferred to and vested in Unext by way of demerger on a “going concern basis”.

5.2 Subject to the provisions of this Scheme as specified hereinafter and with effect from the Appointed Date, the entire business and undertaking pertaining to Demerged Undertaking of MaGE including all the debts, Liabilities, duties and obligations, including those arising on account of taxation laws and other allied laws, pertaining to Demerged Undertaking of MaGE of every description and also including, without limitation, all the movable and immovable properties and assets (whether tangible or intangible) pertaining to Demerged Undertaking of MaGE comprising, amongst others, all leasehold land, leave and license agreements, refundable security deposits leasehold improvements, accretions and appurtenant forming part of Demerged Undertaking (whether or not included in books of MaGE), plants, motor vehicles, sundry debts, receivables, earnest monies, actionable claims, furniture and fixtures, computers, medical, diagnostic instruments and equipment's, machineries, T.V sets, cameras, software, products, portals, Inventories, merchandising rights, websites, and domain names, office equipment, electrical installations, telephones, telex, facsimile and other communication facilities and business licenses, permits, deposits, authorisations, approvals, insurance cover of every description, lease,

tenancy rights, permissions, incentives, if any, and all other rights, patents, know-how, trademark, service mark, trade secret, brands, registrations, product licenses, marketing authorisations or other intellectual property rights, proprietary right, title, interest, contracts, consent, approvals and rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall, under the applicable provisions of the Act, and pursuant to the order of the Tribunal sanctioning this Scheme and without further act, instrument or deed, and all such other industrial or intellectual rights of whatsoever nature, and all other interests relating to the goods and services but subject to the charges affecting the same as on the Effective Date, be transferred and/or deemed to be transferred to and vested in Unext, so as to become the properties, assets, rights, debts, Liabilities, duties and obligations, business and undertaking of Unext.

- 5.3 With effect from the Appointed Date all debts, liabilities, duties and obligations pertaining to Demerged Undertaking of MaGE as on the Appointed Date provided for in the books of account of MaGE and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or up to the day of the Appointed Date shall be the debts, liabilities, duties and obligations of Unext including any encumbrance on the assets pertaining to Demerged Undertaking of MaGE or on any income earned from those assets.
- 5.4 All records, files, papers, information, computer programs, manuals, data, catalogues, quotations, advertising materials, lists of present and former patients/ customers and suppliers, customer credit information, customer pricing information and other records, whether in physical form or electronic form pertaining to Demerged Undertaking of MaGE will be transferred to and vested in Unext by virtue of this Scheme.
- 5.5 With effect from the Appointed Date, all inter-party transactions between the Demerged Undertaking of the Companies shall be considered as intra-party transactions for all purposes from the Appointed Date.

- 5.6 Inter-company loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Demerged Undertaking of the Companies shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on any party and appropriate effect shall be given in the books of accounts and records of the Companies. It is hereby clarified that there will be no accrual of interest or other charges in respect of any inter-company loans, advances and other obligations with effect from the Appointed Date.
- 5.7 All the existing securities, mortgages, charges, encumbrances or liens, if any, as on the Appointed Date and those created by MaGE for Demerged Undertaking after the Appointed Date, over the assets comprised in Demerged Undertaking or any part thereof transferred to Unext by virtue of this Scheme and in so far as such securities, mortgages, charges, encumbrances or liens secure or relate to liabilities of Demerged Undertaking, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to Unext, and such securities, mortgages, charges, encumbrances or liens shall not relate or attach to any of the other assets of Unext, provided however that no encumbrances shall have been created by Demerged Undertaking of MaGE over its assets after the date of filing of the Scheme without the prior written consent of the Board of Directors of Unext.
- 5.8 The Scheme shall not operate to enlarge the existing encumbrances over the assets and properties of Unext or any part thereof which relate to the Liabilities and obligations of Unext prior to the Effective Date are concerned, such encumbrance shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Demerged Undertaking of MaGE transferred to and vested in Unext by virtue of this Scheme.
- 5.9 It is expressly provided that, save as herein provided, no other term or condition of the liabilities of Demerged Undertaking of MaGE transferred

to Unext is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication. 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.

- 5.10 Without prejudice to the provisions of the foregoing clauses, the Companies may enter into and execute such other deeds, instruments, documents and/or writings and/or to do all acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies do give formal effect to provisions of this Clause and foregoing Clauses, if required.
- 5.11 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all intellectual property and rights thereto of MaGE, anywhere in the world and whether owned, licensed or otherwise and whether registered or unregistered, along with all rights of commercial nature including attached goodwill, title, interest, and approvals, trademarks, trade and business names, service marks, copy rights, moral rights and related rights, patents, project designs, marketing authorization, approvals, marketing intangibles, permits, permissions, incentives, privileges, special status, geographical indicators, domain names, designs, trade secrets, research and studies, technical knowhow and all such other industrial or intellectual rights of whatsoever nature and all other interests relating to the goods or services forming part of the Demerged Undertaking and which are subsisting or in effect immediately upto the Effective Date, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, be transferred to and vested in or deemed to have transferred to or vested in Unext without any further act, instrument or deed.
- 5.12 With effect from the Appointed Date, all statutory licences, registrations, incentives, tax deferrals and benefits, carry-forward of tax losses, tax credits, tax refunds, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, permissions, approvals or consents to carry on the operations of the Demerged Undertaking of MaGE, special status and other benefits or privileges enjoyed or conferred upon or held or availed

of by Demerged Undertaking of MaGE and all rights and benefits that have accrued or which may accrue to Demerged Undertaking of MaGE, whether before or after the Appointed Date shall stand vested in or transferred to Unext, pursuant to the Scheme, without any further act or deed and shall remain valid, effective and enforceable on the same terms and conditions and shall be appropriately mutated by the statutory authorities concerned in favour of Unext upon the vesting and transfer of the Demerged Undertaking of MaGE pursuant to this Scheme.

5.13 The demerger of Demerged Undertaking of MaGE into Unext, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and shall be in accordance with Section 2(19AA) of the IT Act. This Scheme has been drawn up to comply with the conditions relating to “demerger” as specified under Section 2(19AA) of the IT Act, 1961. At a later date, if any term or provision of the Scheme is found or interpreted to be inconsistent with any provision thereof, including resulting from an amendment of law or for any reason whatsoever, the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the IT Act, 1961. Such modification will however not affect other parts of the Scheme.

6. STAFF, WORKMEN AND EMPLOYEES

6.1 On the Scheme becoming effective, all staff, workmen and employees of the Demerged Undertaking of MaGE in service on the Effective Date shall be deemed to have become staff, workmen and employees of Unext with effect from later of the Appointed Date or the actual date of joining, without any break or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with Unext (i.e. Cost to company basis, in monetary terms) shall not be less favourable than those applicable to them with reference to their employment with Demerged Undertaking of MaGE on the Effective Date and in compliance with Applicable Law.

6.2 It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, superannuation fund or any other special fund or trusts, if any, created or existing for the benefit of the staff,

workmen and employees of Demerged Undertaking of MaGE shall become trusts/ funds of Unext for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said funds/trusts in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of Demerged Undertaking of MaGE in relation to such funds/trusts shall become those of Unext. It is clarified that, for the purpose of the said funds/trusts, the services of the staff, workmen and employees of Demerged Undertaking of MaGE will be treated as having been continuous with Unext from the date of employment as reflected in the records of Demerged Undertaking of MaGE.

7. LEGAL PROCEEDINGS

7.1 On the coming into effect of this Scheme, if any suit, appeal, legal, taxation or other proceeding of whatever nature (including before any statutory or quasi-judicial authority or tribunal), under applicable law, by or against Demerged Undertaking of MaGE is pending, on the Effective Date or which may arise or be instituted any time thereafter, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the arrangement by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against Unext, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Demerged Undertaking of MaGE, as if this Scheme had not been made.

7.2 All legal and other proceedings initiated by or against MaGE, referred hereinabove in relation to the Demerged Undertaking shall stand transferred to the name of Unext on and after the Effective Date and the same shall be continued, prosecuted and enforced by or against Unext to the exclusion of MaGE.

8. CONTRACTS, DEEDS, ETC. AND POWER TO GIVE EFFECT TO THIS PART

8.1 On coming into effect of this Scheme and with effect from the Appointed Date, subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, insurance, letter of intent, undertakings, purchase and service orders, policies, registrations, licenses, permissions, approvals, consents, entitlements, sanctions, permits, benefits, rights arising from contracts, deeds, licenses, instruments and agreements, if any, of whatsoever nature to which Demerged Undertaking of MaGE is a party or to the benefit of which MaGE is eligible and which is subsisting or having effect on the Effective Date, shall without any further act, instrument or deed, continue to be in full force and effect against or in favour of Unext, as the case may be, and may be enforced by or against Unext as fully and effectually as if, instead of Demerged Undertaking of MaGE, Unext had been a party thereto, notwithstanding the terms contained in such contracts, deeds, bonds, agreements, licences, permits, registrations, approvals and other instruments to give effect to the provisions of this clause of the Scheme.

8.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that the vesting of the Demerged Undertaking occurs by virtual of the Scheme itself, Unext may, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if required under any Applicable Law or at its sole discretion shall enter into and/ or issue and/ or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which MaGE will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, Unext shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of Demerged Undertaking of MaGE and to implement or carry out all formalities required on the part of Demerged Undertaking of MaGE to give effect to the provisions of this Scheme.

9. TAXATION MATTERS

9.1 With effect from the Appointed Date and upon the Scheme becoming effective, all taxes (including, without limitation, income tax, wealth tax, sales tax, custom duty, service tax, value added tax, etc.) paid or payable

or benefits of any tax credits (excluding corporate advance tax/ TDS) whether central, state or local, availed by Demerged Undertaking of MaGE in respect of the operations or profits or assets of Demerged Undertaking of MaGE from the Appointed Date, shall be on account of Unext and, in so far as it relates to any tax payment (including, without limitation, income tax, minimum alternate tax, dividend distribution tax, wealth tax, Goods and service tax, custom duty, service tax, value added tax, etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by Demerged Undertaking of MaGE in respect of its profits or activities or operation or assets with effect from the Appointed Date, the same be deemed to be the corresponding item paid by Unext, and shall in all proceedings be dealt with accordingly.

- 9.2 Any refund under the tax laws due to Demerged Undertaking of MaGE consequent to the assessment made on Demerged Undertaking of MaGE and for which no credit is taken in accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by Unext.
- 9.3 Unext shall be entitled to revise and file income tax returns, sales tax / value added tax return, GST returns, service tax returns and other returns, and to claim refunds/ credits, pursuant to the provisions of this Scheme. Unext shall be entitled to such tax benefits including the benefit of brought forward losses or depreciation as admissible under the provisions of the Income-tax Act, 1961 to the extent applicable, including but not limited to eligibility to claim deduction for expenses under Section 40(a) and/ or 43B of the Income-tax Act, 1961, of Demerged Undertaking of MaGE from the taxable profits of Unext with effect from the Appointed Date. Further, all existing and future benefits/ claim/ relief under the provisions of Income-tax Act, 1961 shall be available to Unext in the same manner and to the extent as those were available otherwise to Demerged Undertaking of MaGE upon fulfilment of the prescribed conditions. Unext shall continue to enjoy the tax benefits and concessions provided to Demerged Undertaking of MaGE by the concerned authorities.

- 9.4 Any refund/ credit/ claim benefits/ incentives under any tax laws due to Demerged Undertaking of MaGE (including but not limited to advance tax, self-assessment tax, regular assessment tax, service tax, CENVAT, minimum alternative tax, value added tax, GST etc.) shall belong to and be received by Unext. Without prejudice to the generality of the aforesaid provision, all the benefits under the various incentive Schemes and policies that Demerged Undertaking of MaGE is entitled to, in relation to their operation, shall On the Scheme becoming effective and with effect from the Appointed Date be transferred to and vested in Unext and all the benefits, entitlements and incentives of any nature whatsoever, including minimum alternate tax credit entitlement, shall be claimed by Unext and these shall relate back to the Appointed Date as if Unext was originally entitled to all benefits under such incentives schemes and/ or policies.
- 9.5 Unext shall be deemed to be authorised under this Scheme to execute any pleadings, submissions, applications, forms, etc., as are required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme.

10. REMAINING BUSINESS OF THE DEMERGED COMPANY

- 10.1 The Remaining Business and all the assets, liabilities and obligations relating or pertaining thereto shall continue to belong solely to and continue to be vested solely in and be managed by MaGE.
- 10.2 All legal, tax and other proceedings by or against MaGE under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, whether or not in respect of any matter arising before the Effective Date and pertaining or relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duty, of MaGE in respect of the Remaining Business) shall be continued and enforced solely by or against MaGE only.
- 10.3 MaGE shall carry on all business and activities pertaining or relating to the Remaining Business in its own name and on its own account and its own behalf in all respects.

- 10.4 All profit accruing to MaGE or losses arising or incurred by it pertaining or relating to the Remaining Business shall, for all purposes, be treated as its profit, or losses, as the case may be.

11. CONSIDERATION

- 11.1 Upon this Scheme becoming effective and in consideration for the demerger of the Demerged Undertaking of MaGE into Unext in terms of this Scheme, Unext shall, without any further application, act, instrument or deed, issue and allot equity shares, credited as fully paid-up, to the extent indicated below, to the members of MaGE, holding fully paid-up equity shares in MaGE and whose names appear in the register of members of MaGE, on the Effective Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognised by the Board of Directors of MaGE in the following proportion:

“951 (Nine Hundred and Fifty One) fully paid-up equity shares of INR 10 each of Unext shall be proportionately issued and allotted for every 1,000 (One thousand only) fully paid equity shares of INR 5/- each held to the equity shareholders of MaGE (hereinafter referred to as “the New Equity Shares”)”

- 11.2 The New Equity Shares to be issued and allotted to all the members of MaGE pursuant to clause 11.1 shall be in multiples of 1. Any fractional shares shall be rounded off to the nearest integer.
- 11.3 The New Equity Shares to be issued and allotted to the members of MaGE pursuant to clause 11.1 read with clause 11.2 shall be subject to the memorandum and articles of association of Unext and shall rank *pari passu* with the existing equity shares of Unext in all respects, save and except that the said equity shares shall not be eligible for dividend declared by Unext during the period commencing on the Appointed Date and ending on the Effective Date (both days inclusive).

11.4 Subject to the provisions of clauses above, Unext shall, if necessary, suitably increase its authorised share capital for allotment of Equity Shares to the members of MaGE.

11.5 Approval of this Scheme by the shareholders of Unext shall be deemed to be the due compliance of the provisions of Sections 42 and 62 of the Act, and other relevant and applicable provisions of the Act and rules made thereunder for the issue and allotment of the equity shares by Unext to all the members of MaGE, pursuant to Section 11.1 as on the Effective Date, and no separate approval from the shareholders of Unext to that extent shall be required to be sought for the matters specified in this Scheme.

12. ACCOUNTING TREATMENT IN THE BOOKS OF UNEXT

Unext shall give effect of the arrangement in its books of accounts in accordance with accounting prescribed under "pooling of interest" method in accordance with the principles laid down in Appendix C of IND AS-103 "Business Combinations" as notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standard) Rules, 2015. On Scheme becoming effective, Unext shall account for the demerger of Demerged Undertaking in its books of account in the following manner:

12.1 All the assets and liabilities of Demerged Undertaking shall be recorded in the financial statements of Unext at the carrying value as appearing in the financial statements of MaGE.

12.2 The carrying amount of inter-corporate balances including loans, advances, amount receivable or payable inter-se between the Companies pertaining to Demerged Undertaking pursuant to this Scheme, if any, appearing in the books shall stand cancelled, and there shall be no further obligations / outstanding rights in that behalf.

12.3 On the Scheme becoming effective, Unext shall, record all the assets and liabilities pertaining to the Demerged Undertaking of MaGE vested in it

pursuant to this Scheme, at their respective book values as at the close of the business as on the day immediately preceding the Appointed Date.

- 12.4 The face value of Equity Shares issued by Unext to the shareholders of the MaGE shall be credited to the equity share capital account of Unext.
- 12.5 The excess or deficit of the value of assets and liabilities of Demerged Undertaking of MaGE recorded by Unext and face of value of equity shares issued by Unext will be transferred to capital reserve (if credit) and adjusted against retained earnings (if debit).
- 12.6 In case of any differences in accounting policies between the Companies, the accounting policies followed by Unext shall prevail to ensure that the financial statements reflect the financial position on the basis of consistent accounting policies.

13. ACCOUNTING TREATMENT IN THE BOOKS OF MaGE

On the Scheme becoming effective, MaGE shall account for the demerger of Demerged Undertaking in its books of account in the following manner:

- 13.1 Reduce the assets and liabilities of the Demerged Undertaking transferred and vested in Unext pursuant to this Scheme at their respective carrying amounts.
- 13.2 The carrying amount of inter-corporate balances including Loans, advances, amount receivable or payable inter-se between the Companies (if any) pertaining to Demerged Undertaking if any, appearing in the books shall stand cancelled, and there shall be no further obligations / outstanding rights in that behalf.
- 13.3 On the Scheme becoming effective, the excess of the carrying amounts of assets and carrying amounts of liabilities of the Demerged Undertaking of MaGE transferred to Unext pursuant to the Scheme will be adjusted by MaGE in the order as mentioned below:
 - i. Debit Securities Premium Account

ii. Debit Profit & Loss Account.

- 13.4 On the Scheme becoming effective, in case of deficit of the carrying amounts of assets and carrying amounts of liabilities of the Demerged Undertaking of MaGE transferred to Unext pursuant to the Scheme will be credited by MaGE to the Capital Reserve Account.
- 13.5 Utilization of the Securities Premium Account as aforesaid in Clause 13.3(i) of the Scheme shall be effected as a part of the Scheme itself and not under a separate procedure in terms of Section 52 and Section 66 of the Act and the order of the NCLT sanctioning the scheme shall be deemed to be an order under Section 52 and Section 66 of the Act confirming the reduction.
- 13.6 Utilization of Securities Premium Account as aforesaid in clause 13.5 of the Scheme do not involve either diminution of liability in respect of unpaid share capital and the same shall be effected as a part of the Scheme only.

14. TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE

During the period from the Appointed Date to the Effective Date:

- 14.1 MaGE undertakes that it will carry on and be deemed to have carried on its business and activities of the Demerged Undertaking and shall be deemed to have held and stood possessed of and shall hold and stand possessed of Demerged Undertaking for and on account of and in trust for Unext.
- 14.2 MaGE shall carry on business and activities of the Demerged Undertaking in the ordinary course of business , consistent with past practice in good faith, reasonable diligence and business prudence.
- 14.3 All the profits or income accruing or arising to MaGE pertaining to Demerged Undertaking or expenditure or losses incurred or arising to

MaGE pertaining to Demerged Undertaking, shall for all purposes be treated and deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of Unext; and

- 14.4 Unext shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other Government Authorities/Agencies concerned as are necessary under any law for such consents, approvals and sanctions which Unext may require to carry on the business of Demerged Undertaking of MaGE.

15. SAVING OF CONCLUDED TRANSACTIONS

Subject to the terms of this Scheme, the transfer and vesting of the Demerged Undertaking of MaGE under clause 5 of this Scheme shall not affect any transactions or proceedings already concluded by Demerged Undertaking of MaGE on or from the Appointed Date or concluded after the Appointed Date till the Effective Date, to the end and intent that Unext accepts and adopts all acts, deeds and things made, done and executed by Demerged Undertaking of MaGE as acts, deeds and things made, done and executed by or on behalf of Unext.

16. WRONG POCKET ASSETS

- 16.1 If any part of the Demerged Undertaking is retained or not transferred to the Unext, on the Effective Date pursuant to the demerger. MaGE , shall take such actions as may be reasonably required to ensure that such part of the Demerged Undertaking is transferred to Unext promptly for no further consideration. Unext shall bear all costs and expenses as may be incurred by MaGE subject to written consent of Unext, for giving effect to this clause.

- 16.2 If MaGE realizes any amounts after the Effective Date that forms part of the Demerged Undertaking, it shall immediately make payment of such amounts to Unext. It is clarified that all receivables relating to the Demerged Undertaking, related to period prior to the Effective Date, but

received after the Effective Date, shall be paid to Unext for no additional consideration.

16.3 The above shall be effected as an integral part of the Scheme and shall be deemed to be in due compliance of the applicable provisions of the Act.

PART C

GENERAL TERMS AND CONDITIONS APPLICABLE TO THIS SCHEME AND OTHER MATTERS CONSEQUENTIAL AND INTEGRALLY CONNECTED THERETO

17. CONDITIONALITY OF THE SCHEME

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

- i. The requisite consent, approval or permission of the Central Government or any Government Authorities, which by law may be necessary for the implementation of this Scheme;
- ii. The approval by the requisite majority of the each class of members and creditors of Companies as may be directed by the Tribunal;
- iii. The sanction of the Scheme by the Tribunal being obtained under Sections 230 to 232 and any other applicable provisions of the Act, on behalf of the Companies;
- iv. The certified copies of the orders of the Tribunal sanctioning the Scheme are filed with the Registrar of Companies the Companies;
and
- v. Upon compliance with such other conditions as specified herein, as may be imposed by the Tribunal.

18. APPLICATION TO TRIBUNAL

18.1 Companies shall, with all reasonable despatch, make and file applications petitions under Sections 230 to 232 and other applicable provisions of the Act to the Tribunal, for seeking approval of the Scheme and for such other orders as the Tribunal may deem fit for bringing the Scheme into effect and all matters ancillary or incidental thereto.

19. MODIFICATION OR AMENDMENTS TO THE SCHEME

19.1 The Companies by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorise including any committee, may make and / or consent to any modifications / amendments to the Scheme or to any conditions or limitations that the Tribunal or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors). The Companies by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorise including any committee, shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or order of any authority or otherwise, however arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

20. EFFECT OF NON-RECEIPT OF APPROVALS

20.1 In the event any of the approvals or conditions enumerated in the Scheme are not obtained or complied with, or for any other reason, the Scheme cannot be implemented, the Board of Directors of the Companies shall respectively waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, or in case the Scheme is not sanctioned by the Tribunal, the Scheme shall become null and void and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

21. COSTS, CHARGES AND EXPENSES

21.1 All costs, charges, expenses, including stamp duty, registration fees and taxes including duties, levies and all other expenses, if any arising out of, or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by Unext.