

# ANNEXURE A

## SCHEME OF AMALGAMATION

BETWEEN

IUNITE TECHNOLOGIES PRIVATE LIMITED  
(TRANSFEROR COMPANY)

AND

IVALUE INFOSOLUTIONS PRIVATE LIMITED  
(TRANSFeree COMPANY)

AND

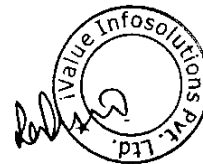
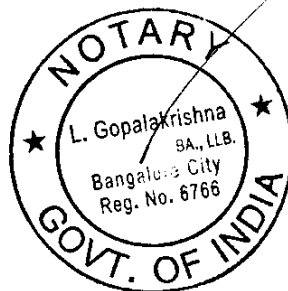
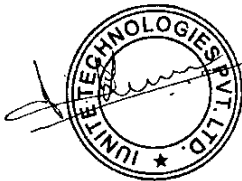
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

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

## PARTS OF THE SCHEME

The Scheme is divided into the following parts:

- Part I** Deals with Preamble, Description of the Companies and Rationale of the Scheme
- Part II** Deals with Definitions and Share Capital
- Part III** Deals with the Amalgamation of iUnite Technologies Private Limited with iValue Infosolutions Private Limited
- Part IV** Deals with the General Terms and Conditions that will be applicable to the Scheme



## PART I

### PREAMBLE, DESCRIPTION OF THE COMPANIES AND RATIONALE OF THE SCHEME

#### 1. PREAMBLE

This Scheme of Amalgamation ("the Scheme") is presented pursuant to Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, (including any statutory modification or re-enactment thereof, for the time being in force) for amalgamation between iUnite Technologies Private Limited ('iUnite' or 'Transferor company') and iValue Infosolutions Private Limited ('iValue' or 'Transferee Company') ("the Scheme"). The Scheme also provides for various other matters consequential to or otherwise integrally connected herewith.

#### 2. DESCRIPTION OF THE COMPANIES

2.1 "iValue" means IVALUE INFOSOLUTIONS PRIVATE LIMITED, a private limited company incorporated under the Companies Act, 1956 on April 09, 2008 with CIN - U72200KA2008PTC045995 and having its Registered Office at No.1140, VGR ESSOR, 3<sup>rd</sup> Floor, 6<sup>th</sup> Main, 17<sup>th</sup> Cross, Sector-7, HSR Layout Bengaluru-560102, Karnataka and is presently engaged in the business of Digital Asset protection and Data, Network and Application (DNA) management associated services through 750+ channel with 45+ direct OEM partnership.

2.2 "iUnite" means IUNITE TECHNOLOGIES PRIVATE LIMITED, a private limited company incorporated under the Companies Act, 2013 on April 27, 2017 with CIN - U72900KA2017PTC102622 and having its Registered Office at 20, 1st Cross, Annapurneshwari Temple New Bank Colony, Konanakunte, Doddakallasandra, Bengaluru-560062, Karnataka and is presently engaged in the business of providing services related to the Digital Assets Protection and Data, Network and Application (DNA) Management with associated services.

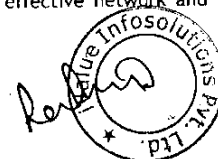
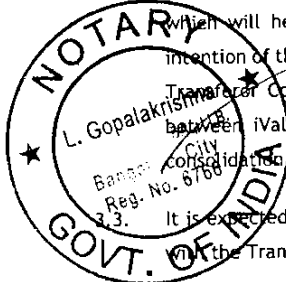
#### 3. OBJECTIVES & RATIONALE OF THE SCHEME

3.1. Both the companies under this Scheme of Amalgamation are engaged in providing information technology services. iValue has shaped its entire business in two growth verticals which are (i) Digital Asset Management and Protection and (ii) Software and Allied Support. iUnite is engaged in providing services related to the Digital Assets Protection and Data, Network and Application (DNA) Management with associated services. Hence amalgamation of both the companies will result in greater synergies in working, achieve greater economies of scale, greater integration and will improve the competitive position in the market of the combined entity.

3.2. Consolidation by way of proposed amalgamation will create a vertically integrated structure which will help both the companies achieve the common commercial objectives. It is the intention of the Group to seamlessly and rapidly integrate and amalgamate the businesses of the Transferor Company with the Transferee Company. Further, there are common shareholders between iValue and iUnite and the amalgamation of iUnite with iValue will also facilitate consolidation of their shareholding in a single entity structure.

3.3. It is expected that the integration, consolidation and amalgamation of the Transferor Company with the Transferee Company would provide the following benefits:

(a) Economies of scale, greater integration, greater flexibility, most effective network and



- greater market reach for the amalgamated entity and will improve the competitive position of the combined entity.
- (b) Reduce managerial overlaps, which are necessarily involved in running multiple entities. By way of reducing the number of entities in the group, it will help to achieve simplified corporate structure.
  - (c) Cost savings, which are expected to flow from more focused operational efforts, standardization and simplification of business processes, productivity improvements, and improved procurement.
  - (d) Carrying on and conducting the business more efficiently and advantageously, more productive and optimum utilization of various resources.
- 3.4. In view of the aforesaid, the Board of Directors of the Transferor Company and the Transferee Company have considered and proposed the amalgamation for the transfer and vesting of the Transferor Company with and into the Transferee Company and other matters herein, and that amalgamation would benefit the shareholders, employees and other stakeholders of the Transferor Company and the Transferee Company
- 3.5. The Scheme is between the Transferor Company and the Transferee Company and their respective Shareholders and is not intended to be any sort of an arrangement or compromise with the creditors. The rights of and the amounts due to the creditors of each and every class including but not limited to, secured, unsecured, preferential or statutory creditors and sundry or business or trade creditors of the companies or the obligations of the companies towards them or the terms of their loans or debt or for that matter, anything in relation to such creditors, will not be affected by this Scheme in any manner what so ever.

## PART II

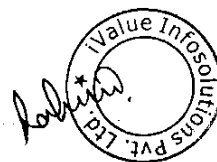
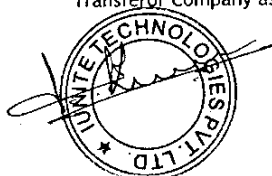
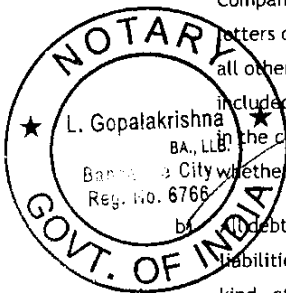
### DEFINITIONS AND SHARE CAPITAL

#### 4. DEFINITIONS

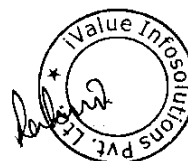
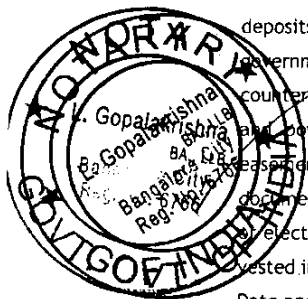
- 4.1. "Act" or "the Act" means the Companies Act, 2013 and the Rules and Regulations made thereunder and shall include any statutory modifications, re-enactment or amendment thereof for the time being in force.
- 4.2. "Appointed Date" means the commencement of business on 01 April 2020 or such other date as maybe approved by the NCLT (defined hereafter).
- 4.3. "Board of Directors" or "Board" means the respective Board of Directors of the Transferor and Transferee Company and includes any person authorized by the Board of Directors, as the case may be.
- 4.4. "Companies" means iValue and iUnite, collectively.
- 4.5. "Effective Date" means the date or last of the dates on which conditions, matters, filings as referred in clause 22 hereof have been fulfilled and the necessary orders, approvals and consents refer to herein have been obtained.



- 4.6. "Governmental Authority" means any central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau, instrumentality, judicial or arbitral body having jurisdiction.
- 4.7. "NCLT" means the National Company Law Tribunal, Bengaluru bench, constituted under the Companies Act, 2013 and authorized as per the provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of Company under Section 230 to 232 of the Companies Act, 2013 and having jurisdiction over the parties to this Scheme.
- 4.8. "Record Date" means the date to be fixed jointly by the Board of Directors of the Transferor and the Transferee Company for determining names of the shareholders to whom shares will be issued and allotted by the Transferee Company as consideration for the amalgamation, in accordance with Clause 14 of the Scheme.
- 4.9. "Registrar of Companies" means the Registrar of Companies, Karnataka, India.
- 4.10. "Scheme" means this Scheme of Amalgamation as set out herein in its present form, or with such modification(s) made under Clause 21 of the Scheme or with such other modification(s) approved or imposed or directed by the NCLT.
- 4.11. "Transferee Company" means "iValue Infosolutions Private Limited".
- 4.12. "Transferor Company" means "iUnite Technologies Private Limited".
- 4.13. "Transferor Company Undertaking" or "Undertaking" means the entire business and whole of the undertakings of the Transferor Company as a going concern, including and not limited to all its assets, rights, licenses, powers, and all its debts outstanding, liabilities, duties, obligations, contracts and employees as on the Appointed Date, and shall include (without limitation):
- a) All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) of the Transferor Company, including, buildings and structures, offices, capital work-in-progress, furniture, fixtures, office equipment, computers, inventories, sundry debtors, credits, deposits, loans and advances (whether recoverable in cash or in kind for value to be received), investments of all kinds, cash and cash equivalents, bank accounts (including bank balances), benefits of any deposits, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Company, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, rights and benefits under any agreement, contracts and arrangements and all other interests in connection with or relating to the Transferor Company, whether or not included in the books of accounts, belonging to or in the ownership, power or possession and in the control of or vested in or granted in favor of or enjoyed by the Transferor Company, whether in India or abroad;
- b) All debts, borrowings, obligations, duties and liabilities, both present and future, contingent liabilities and liabilities or obligations under any licenses or permits or schemes of every kind, of whatsoever nature and description and howsoever arising, raised or incurred or utilized, whether secured or unsecured, whether in Indian rupees or foreign currency, whether provided for or not in the books of account or disclosed in the balance sheet of the Transferor Company as at the Appointed Date;



- c) All the investments (including shares, scrips, stocks, bonds, debenture stocks, units, certificates), branch offices and properties of whatsoever nature, held in physical or dematerialized form or any other matter of the Transferor Company
- d) All permits, quotas, rights, claims, entitlements, registrations, industrial and other licenses and approvals, bids, tenders, authorities, letters of intent, letter of approval, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, approvals and all other interests in connection with or relating to the Transferor Company;
- e) Right to any claim whether or not made by the Transferor Company in respect of refund of any tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, with regard to any law, act or rule or Scheme made by any Governmental Authority, and in respect of set-off, carry forward of depreciation not given effect to in earlier years, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit under and in accordance with any law or act, whether in India, or anywhere outside India; and
- f) All staff, workmen and employees, engaged in the business or in connection with the Transferor Company, and on the rolls of the Transferor Company on the closing hours of the date immediately preceding the Effective Date;
- g) Without prejudice to the generality of the above Clauses, the undertaking of the Transferor Company shall include all remissions, remedies, subsidies, guarantees, bonds, hire purchase, lending arrangements, benefits of security arrangements, security contracts, computers, computer programs manuals, data, catalogues, quotations, sales and advertisement materials, list of present and former customers and suppliers, customer and supplier pricing information and all other records and documents relation to the Transferor Company business activities and operations and licenses, assignments and grants in respect thereof, import quotas, and other quota rights, insurance policies, preliminary expenses, if any, benefit of deferred revenue expenditure, prepaid expenditure, consents, permissions, investments letters of intent, registrations, powers, contracts, deeds, engagements, arrangements, rights, credits, titles, goodwill, interests, benefits, memberships, advantages, leasehold rights, brands, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, industrial and other licenses of all kinds, permits, authorizations, quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities connections, installations and equipment, rights, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, reserves, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies, rights, titles, claims and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, consents, advantages, benefits, exemptions, and approvals, all book of accounts, documents and records of whatsoever nature and where so ever situated whether in physical or electronic form, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Transferor Company as at the Appointed Date and thereafter;



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

## 5. INTERPRETATION

In this Scheme, unless the context otherwise requires:

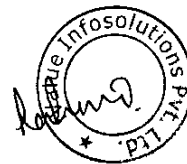
- 5.1 words denoting singular shall include plural and vice versa;
- 5.2 headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
- 5.3 references to the word "include" or "including" shall be construed without limitation;
- 5.4 a reference to an article,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

## 6. SHARE CAPITAL

- 6.1. The share capital of the Transferor Company as on March 31, 2020 is as follows:

Particulars	Amount in INR
Authorized Share Capital	
1,00,000 Equity shares of INR 10/- each	10,00,000
<b>Total</b>	<b>10,00,000</b>
Issued, subscribed and paid-up Share Capital	
10,000 Equity shares of INR 10/- each, fully paid up	1,00,000
<b>Total</b>	<b>1,00,000</b>

Subsequent to 31st March 2020, there is no change in the issued, subscribed and paid-up capital of the company



6.2. The share capital of the Transferee Company as on March 31, 2020 is as follows:

Particulars	Amount in INR
<b>Authorized Share Capital</b>	
50,00,000 Equity shares of INR 10/- each	5,00,00,000
20,00,000 Preference Shares of INR 10/- each	2,00,00,000
Total	7,00,00,000
<b>Issued, subscribed and paid-up Share Capital</b>	
42,11,067 Equity shares of INR 10/- each, fully paid up	4,21,10,670
12,50,025 Preference Shares of INR 10/- each fully paid up	1,25,00,250
Total	5,46,10,920

Subsequent to 31st March 2020, there is no change in the issued, subscribed and paid-up capital of the company

### PART III

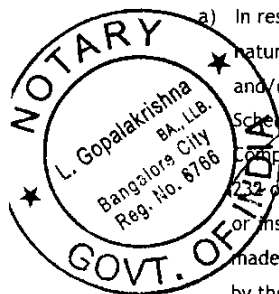
#### AMALGAMATION OF IUNITE WITH IVALUE

#### **7. TRANSFER AND VESTING OF UNDERTAKING**

7.1. On and from the Appointed Date and upon the Scheme becoming effective, the entire business and the whole of the Undertaking of the Transferor Company as defined in Clause 4.13 shall pursuant to the provisions of Sections 230 to 232 of the Act and the orders received from the NCLT ("Orders"), shall stand amalgamated with and vested in the Transferee Company, as a going concern, without any further act or instrument, together with all the properties, assets, rights, liabilities, benefits and interests therein by virtue of and in the manner provided in this Scheme.

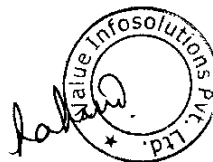
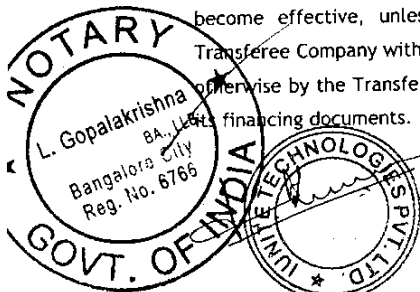
7.2. On and from the Appointed Date and upon the Scheme becoming effective:

a) In respect of such of the assets and properties of the Transferor Company as are movable in nature or are otherwise capable of transfer by delivery or possession, or by endorsement and/or delivery, the same shall stand so transferred by the Transferor Company upon this Scheme becoming effective, and shall become the assets and property of the Transferee Company with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act and all other provisions of applicable law, if any, without requiring any deed or instrument of conveyance for transfer of the same. Such delivery and transfer shall be made within 30 days from the Effective Date or such other extended date as may be decided by the Board of Directors of the Transferee Company.



- b) In respect of such of the assets and properties including sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any governmental authority, quasi government, local or other authority or body or with any company or other person, the same shall stand transferred to and vested in the Transferee Company and/ or deemed to have been transferred to and vested in the Transferee Company, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party, upon this Scheme becoming effective and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act and all other provisions of applicable law, if any. Further, the Transferor Company shall if so required by the Transferee Company, and the Transferee Company may, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the NCLT having sanctioned this Scheme, the relevant debt, loan, advance or other asset, be paid or made good or held on account of the Transferee Company, as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realize the same stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- c) All assets and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company (as the case may be), and all assets and properties, which are acquired by Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions of Sections 230 to 232 of the Act and all other provisions of applicable law, if any, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon this Scheme becoming effective pursuant to the provisions of Sections 230 to 232 of the Act and all other provisions of applicable law, if any.

7.3. The transfer and vesting shall be subject to continue to hold the same ranking and priority as it did before the transfer and vesting of such assets by the Transferor Company to the Transferee Company, unless specifically agreed otherwise by the Transferor Company and Transferee Company with its financial lenders, under its financing documents. Provided further that the securities, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Transferee Company shall continue to hold the same ranking and priority as it did before the transfer and vesting of assets by the Transferor Company to the Transferee Company and this Scheme shall not operate to modify the ranking and priority of such securities, charges or mortgages, unless specifically agreed otherwise by the Transferor Company and Transferee Company with its financial lenders, under its financing documents. Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company which shall vest in the Transferee Company by virtue of the amalgamation of the Transferor Company with the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security therefore after the amalgamation has become effective, unless specifically agreed otherwise by the Transferor Company and Transferee Company with its financial lender, under its financing documents specifically agreed otherwise by the Transferor Company and Transferee Company with its financial lender, under its financing documents.



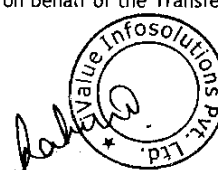
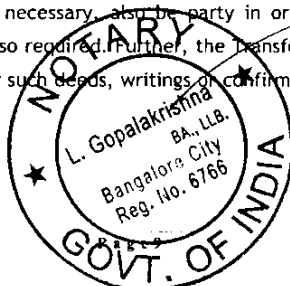
## 8. TRANSFER OF DEBTS AND LIABILITIES

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

- a) All debts, liabilities, contingent liabilities, trade payables, loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to any liability in whatever form), duties and obligations of the Transferor Company shall also, without any further act, instrument or deed be transferred to and vested in and assumed by and/or deemed to be transferred to and vested in and assumed by the Transferee Company pursuant to the provisions of Sections 230 to 232 of the Act, so as to become the liabilities of the Transferee Company and further that it shall not be necessary to intimate or obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen, in order to give effect to the provisions of this Clause.
- b) Where any such debts, loans raised, liabilities, duties and obligations of the Transferor Company as on the Appointed Date have been discharged or satisfied by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company.
- c) All loans raised and utilized and all liabilities, duties and obligations incurred or undertaken by the Transferor Company in the ordinary course of business after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon coming into effect of this Scheme and under the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.
- d) Loans, payable or other obligations, if any, due between or amongst the Transferor Company and the Transferee Company shall stand cancelled / discharged and there shall be no liability in that behalf with effect from Appointed Date.

## 9. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- 9.1. Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, including the contracts for tenancies and license arrangements, if any, of whatsoever nature, relating to which the Transferor Company is a party and is subsisting or having effect on or after the Effective Date, shall be in full force and effect against or in favor of the Transferee Company, as the case may be without any change/ variation of any parties outlined therein, and may be enforced by or against the Transferee Company as fully and eventually as if, instead of the Transferor Company, the Transferee Company had been a party thereto. The Transferee Company shall enter into and/ or issue and/ or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novation, to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, the Transferee Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Transferor



Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

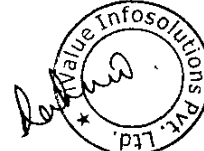
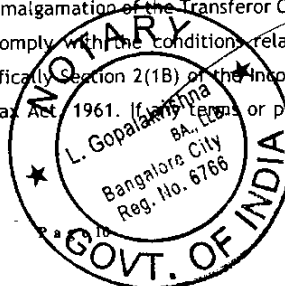
- 9.2. In relation to the assets, properties and rights including rights arising from contracts, deeds, instruments and agreements, if any, belonging to the Transferor Company, which by reason of any special law or regulation require separate documents for transfer including documents for attornment or endorsement, as the case may be, the Transferor Company shall execute such separate documents, as and when required by the Transferee Company.
- 9.3. All subsisting agreements/ arrangements of the Transferor Company relating to the use of patents, patent applications, trademarks (including logos), brands, designs, copyrights, and / or technology and all other intellectual property and rights, subsisting or having effect on or after the Effective Date, shall accrue to and for the benefit of the Transferee Company.
- 9.4. From the Effective Date until such time that the names of the respective bank accounts, demat accounts of the Transferor Company are replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the respective bank accounts and demat accounts of the Transferor Company, in their respective names, in so far as may be necessary.
- 9.5. All cheques and other negotiable instruments, payment orders received in the name of the Transferor Company at and after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company. Similarly, the banker of the Transferee Company shall honour cheques issued by the Transferor Company for payment at or after the Appointed Date and presented at the Effective Date.

#### 10. LEGAL PROCEEDINGS

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

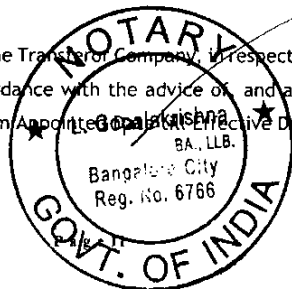
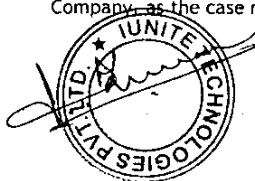
#### 11. TAX

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



found or interpreted to be inconsistent with the provisions of the said section at a later date including resulting from an amendment of law with retrospective effect or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(18) of the Income-tax Act, 1961 and other relevant provisions of the Income-tax Act, 1961. Such modification will however not affect the other parts of the Scheme.

- 11.2. Upon this Scheme becoming effective, the Transferee Company and/ or Transferor Company are expressly permitted to revise, if it becomes necessary, its income tax returns, service tax returns, goods and service tax returns, other tax returns (as may be applicable) and to restore input credit adjusted earlier or claim refunds/ credits pursuant to the provisions of this Scheme.
- 11.3. All taxes including Income tax, tax on book profits, service tax, Value Added Tax, Central Goods and Service Tax, Integrated Goods and Service Tax and State Goods and Service Tax (paid at respective states)etc. paid or payable by the Transferor Company in respect of the operations and / or the profits of the Undertaking before the Appointed Date, shall be on account of the Transferor Company and, in so far as it relates to the tax payment whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 11.4. Upon this Scheme becoming effective, all taxes, cess, duties payable by or on behalf of the Transferor Company from the Appointed Date onwards including all or any refunds , input tax credit and claims, right for any tax allowances and deductions, of the Transferor Company, shall, for all purposes, be treated as the tax, cess, duty, liabilities or refunds, input tax credit, claims, allowances and deductions of the Transferee Company.
- 11.5. Tax depreciation of the Transferor Company which is not given effect to in prior years shall categorically belong to the Transferee Company and accordingly will be carried forward and set off by the Transferee Company in subsequent years.
- 11.6. All the expenses incurred by the Transferor Company and the Transferee Company in relation to the Amalgamation as per this Scheme, including stamp duty expenses if any, shall be allowed as deduction to the Transferee Company in accordance with Section 35DD of the Income tax Act, 1961 over a period of 5 years with effect from the Appointed date.
- 11.7. All tax assessment proceedings / appeals of whatsoever nature by or against the Transferor Company pending and / or arising at the Appointed Date and relating to the Transferor Company shall be continued and / or enforced until the Effective Date on the Transferor Company and in consultation with the Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.
- 11.8. If proceedings are taken against the Transferor Company, in respect of matters referred to above, it shall defend the same in accordance with the advice of, and at the cost of, the Transferee Company, as the case may be from Appointed Date till Effective Date.



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

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

## 12. CONDUCT OF BUSINESS OF THE TRANSFEROR COMPANY UNTIL THE EFFECTIVE DATE

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

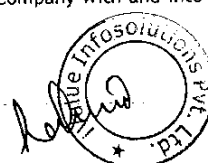
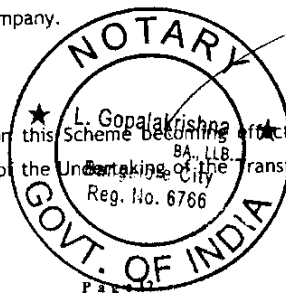
- a) The Transferor Company shall carry on and be deemed to have carried on the business and activities in relation to the Undertaking and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the entire business and Undertaking for and on account of and in trust for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

## 13. SAVING OF CONCLUDED TRANSACTIONS

13.1. The transfer and vesting of the Undertakings of the Transferor Company into the Transferee Company and the continuance of proceedings by or against the Transferee Company under Clause 10 above shall not affect any transaction or proceedings relating to the Transferor Company already concluded by the Transferor Company on or after the Appointed date to the end and intent that the Transferee Company accepts and adopts all acts, deeds, matters and things done and/ or executed by the Transferor Company in regard thereto as having been done or executed on behalf of the Transferee Company.

## 14. ISSUE OF SHARES

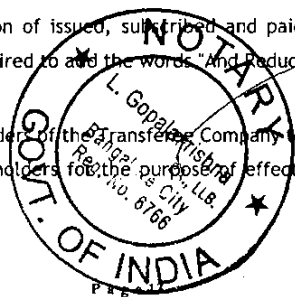
14.1. The Transferee Company, upon this Scheme becoming effective and in consideration of the transfer and vesting of whole of the Undertaking of the Transferor Company with and into the



Transferee Company, in terms of this Scheme, shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders (or their respective legal heirs, executors or administrators or as the case may be) of the Transferor Company, whose names are registered in the register of members as on the Record Date in the ratio of:

"495 (Four hundred and ninety five) fully paid equity shares of Face Value INR 10 (Rupees Ten) each of iValue for every 2 (Two) fully paid equity shares of Face Value INR 10 (Rupees Ten) each held in iUnite, which shall result in issuance of 24,75,000 equity shares of Rs. 10 each by iValue to the shareholders of iUnite"

- 14.2. The equity issued and allotted pursuant to Clause 14.1, if any, shall in all respects, be subject to the Memorandum and Articles of Association of the Transferee Company.
- 14.3. The shareholders of the Transferor Company, to whom the equity shares are to be issued by the Transferee Company pursuant to Clause 14.1 above, shall be issued these shares in dematerialized form or physical form as the case may be.
- 14.4. The Transferee Company in respect of fractional entitlement shall issue no fractional shares, if any, to the shareholders of the Transferor Company and the fractions shall be rounded up to the nearest whole number. Further, each shareholder of the Transferor Company shall get at least one share of the Transferee Company.
- 14.5. The Transferee Company shall, if and to the extent required, increase its Authorized share capital to facilitate issue of equity under this Scheme.
- 14.6. The issue and allotment of equity in the Transferee Company to the shareholders of the Transferor Company as provided in the Scheme, shall be deemed to have been carried out as if the procedure laid down under the Companies Act, 2013 and any other applicable provisions of the Act or any amendments thereto were duly complied with.
15. **CANCELLATION OF PART OF THE EXISTING PAID UP EQUITY SHARE CAPITAL OF THE TRANSFEE COMPANY**
  - 15.1. Upon the Scheme becoming effective, 24,75,352 (Twenty four lakhs seventy five thousand three hundred fifty two only) equity shares of Transferee Company held by Transferor Company or such other class of shares of Transferee Company held by Transferor Company on the Effective Date shall be cancelled without any further act or deed by operation of law and shall amount to reduction of share capital.
  - 15.2. However, considering the issue of new equity shares to the shareholders of the Transferor company, in terms of Clause 14.1 of the scheme, there will not be any net reduction of the Transferee company. Since the said proposal forms an integral part of the scheme, provisions of section 66 of the Act read with applicable rules made thereunder shall not be attracted pursuant to order issued by the NCLT.
  - 15.3. Notwithstanding the reduction of issued, subscribed and paid-up share capital of Transferee Company, it shall not be required to add the words "And Reduced" as suffix to its name.
  - 15.4. The consent of the Shareholders of the Transferor Company to this Scheme shall be deemed to be the consent of its shareholders for the purpose of effecting the above reduction, if any,



under the provisions of Section 66 of the Act read with applicable rules made thereunder and no further resolution under Section 66 of the Act or any other applicable provisions of the Act, would be required to be separately passed.

**16. AMENDMENT TO THE MEMORANDUM OF ASSOCIATION OF THE TRANSFEE COMPANY AND COMBINATION OF AUTHORIZED SHARE CAPITAL**

- 16.1. Upon this Scheme becoming effective and with effect from the Appointed Date, the authorised share capital of the Transferee Company shall automatically stand increased by the authorised share capital of the Transferor Company without any further act or deed on part of the Transferee Company including without payment of stamp duty and fees payable to Registrar of Companies.
- 16.2. Thus, the authorised share capital of the Transferor Company shall be combined with the authorised share capital of the Transferee Company and the Memorandum of Association and Articles of Association of the Transferee Company shall stand amended accordingly without any further act or deed on the part of the Transferee Company.
- 16.3. The consent of the shareholders of the Transferor Company and Transferee Company to the Scheme shall be deemed to be sufficient for the purposes of affecting this amendment and no further resolution(s) under Sections 13 and 61 of the Act or any other applicable provisions of the Act would be required to be separately passed, as the case may be and there would be no requirement for any further payment of stamp duty and/ or fee by the Transferee Company for increase and reclassification in the authorised share capital to that extent.

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

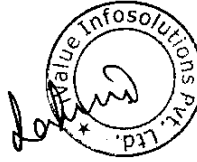
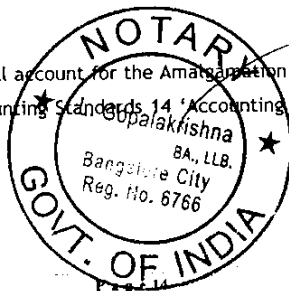
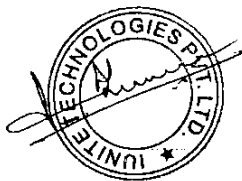
Particulars	Amount in Rs.
Authorized Share Capital	
51,00,000 Equity shares of INR 10/- each	5,10,00,000
20,00,000 Preference shares of INR 10/- each	2,00,00,000
Total	7,10,00,000

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

*"The authorized share capital of the Company is Rs 7,10,00,000/- (Rupees Seven Crore ten lakhs only) divided into 51,00,000 (Fifty-one lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each and 20,00,000 (Twenty Lakh) Preference Shares of Rs. 10/- (Rupees Ten only) each."*

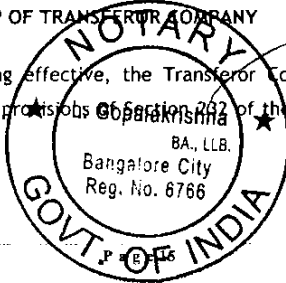
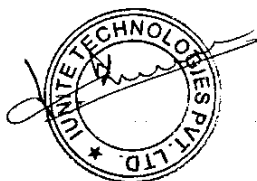
**17. ACCOUNTING TREATMENT**

- 17.1. The Transferee Company shall account for the Amalgamation in accordance with the Pooling of Interest Method as per Accounting Standards 14 'Accounting for Amalgamation' notified under



Section 133 of the Companies Act, 2013 read with Companies (Accounting Standards) Rules, 2006 issued thereunder and in accordance with prevailing guidelines such that:

- 17.1.1. The Transferee Company shall record all the assets and liabilities, including reserves of the Transferor Company vested in it pursuant to this scheme, at their respective book values as appearing in the books of Transferor Company on the Appointed Date.
- 17.1.2. If, at the time of the amalgamation, the Transferor and the Transferee companies have conflicting accounting policies, a uniform set of accounting policies should be adopted following the amalgamation. The effects on the financial statements of any changes in accounting policies should be reported in accordance with Accounting Standard 5.
- 17.1.3. The difference between the amount recorded as share capital issued (plus any additional consideration in the form of cash or other assets) and the amount of share capital of the transferor company should be adjusted in reserves.
- 17.2. Inter - company balances, if any, between the Transferor Company and the Transferee Company, appearing in the books of account of the Transferor and Transferee Company shall stand cancelled without any further act or deed, upon this scheme becoming effective.
- 17.3. The Scheme shall be effective from the Appointed Date but shall be operative from the Effective Date. However, in the event if the Indian Accounting Standard, as applicable, require the Amalgamation to be accounted retrospectively (including for periods prior to the appointed date) in the financial statements, the same will be carried out in the financial statements, for Accounting purpose, to be compliant with the accounting standards. For regulatory and tax purposes, Amalgamation would have been deemed to be effective from the Appointed Date of this Scheme.
- 17.4. The excess or deficit, if any, arising as a result of this Amalgamation, shall be recognized in the books of the Transferee Company as per the accounting standards 14.
- 17.5. Compulsorily Convertible Debentures standing in the books of transferor company and corresponding non - current investment standing in the books of transferee company shall stand cancelled on amalgamation of both the companies.
- 17.6. Notwithstanding the above, the Board of Directors of the Transferee Company, is authorized to modify such accounting treatment so as to comply with applicable accounting standards and the clarifications/ guidance provided by the Institute of Chartered Accountants of India.
18. **DATE OF TAKING EFFECT AND OPERATIVE DATE**
  - 18.1. The Scheme shall be Effective at and from the Appointed Date for amalgamation of the Transferor Company into the Transferee Company but shall be operative from the Effective Date.
19. **DISSOLUTION / WINDING-UP OF TRANSFEROR COMPANY**
  - 19.1. Upon this Scheme becoming effective, the Transferor Company shall be dissolved without winding-up pursuant to the provisions of Section 232 of the Act. Any obligations/ steps which



need to be undertaken by the Transferor Company pursuant to the sanction of this Scheme shall be fulfilled by the Transferee Company.

**PART IV**

**GENERAL TERMS AND CONDITIONS**

**20. APPLICATION TO THE NCLT**

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

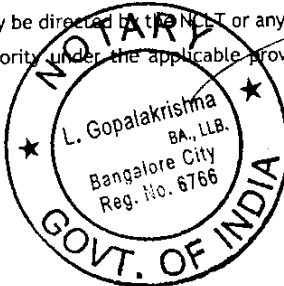
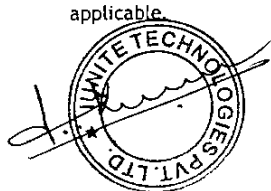
**21. MODIFICATION OR AMENDMENTS TO THE SCHEME**

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

**22. CONDITIONALITY OF THE SCHEME**

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

- a) The sanction and approval of any governmental authority or any other agency, department or authority as may be required under any law;
- b) The Scheme being approved by the requisite majorities in number and value of such classes of persons including the members and/or creditors of the Transferor Company and the Transferee Company, as may be directed by the NCLT or any other competent authority or any other appropriate authority under the applicable provisions of the Act, as may be applicable.



- c) The sanction of the NCLT or any other Appropriate Authority under law being obtained under the relevant provisions of the Act and other applicable laws by the Transferor Company and the Transferee Company; and
- d) The certified copy of the Order of the NCLT under Sections 230 to 232 of the Act being filed with the Registrar of Companies, Karnataka by the Transferor and the Transferee Company;

### 23. EFFECT OF NON-RECEIPT OF APPROVALS

- 23.1. In the event of any of the said sanctions and approvals referred to in Clause 22 not being obtained and/ or the Scheme not being sanctioned by the NCLT or such other competent authority, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.
- 23.2. Further, in the event of non-receipt of approvals to the Scheme, no rights and liabilities whatsoever shall accrue to or be incurred inter-se by the Transferor Company or the Transferee Company or their shareholders, creditors, employees or any other person.

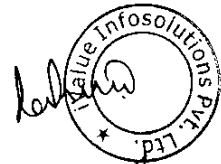
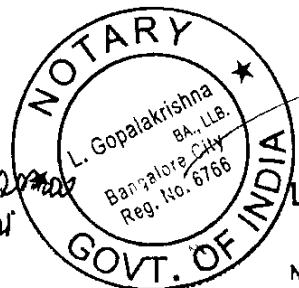
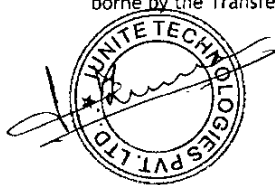
### 24. POWER TO WITHDRAW THE SCHEME AT ANY TIME

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

### 25. EXPENSES CONNECTED WITH THE SCHEME

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

This is annexure A  
as per the affidavit  
of *Sumit Kumar* *Omia Lakshmi*  
from page 19 to 35 *mmammi*



**CERTIFIED TRUE COPY  
OF THE ORIGINAL**  
**L. GOPALAKRISHNA BA, LL.B.**  
ADVOCATE & NOTARY  
GOVERNMENT OF INDIA  
No 25, 3rd Cross, Lalbagh Road  
BANGALORE - 560 027

