
SCHEME OF MERGER

OF

RABBIT HOLE ENTERTAINMENT PRIVATE LIMITED
(“First Transferor Company”)

AND

FOXYMORON DIGITAL MARKETING PRIVATE LIMITED
(“Second Transferor Company”)

WITH

ZOO MEDIA PRIVATE LIMITED
(“Transferee Company”)

AND

THEIR RESPECTIVE SHAREHOLDERS

UNDER SECTION 230 TO 232 AND OTHER

APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

PREAMBLE

This Scheme of Merger (“**the Scheme**”) (more particularly described hereinafter) of Rabbit Hole Entertainment Private Limited (“**First Transferor Company**”) and Foxymoron Digital Marketing Private Limited (“**Second Transferor Company**”) with Zoo Media Private Limited (“**Transferee Company**”), and their respective shareholders is presented pursuant to the provisions of section 230 to 232 and other relevant applicable provisions of the Companies Act, 2013 and the rules made there under.

This Scheme is divided into following parts, dealing with:

Part I	Background and Rationale for the Scheme of Merger;
Part II	Definitions and Share Capital of the Companies;
Part III	Merger and vesting of entire undertaking of the Transferor Companies with the Transferee Company;
Part IV	General terms and conditions applicable to the Scheme.

PART- I

1. BACKGROUND AND RATIONALE FOR THE SCHEME OF MERGER

BACKGROUND OF THE SCHEME:

- 1.1. Rabbit Hole Entertainment Private Limited (“**RHEPL**” or “**First Transferor Company**”) is engaged in the business of film production, animation, postproduction for digital and television commercials, including digital video commercials (DVCs), television video commercials (TVCs), vignettes, stories, long format content.
- 1.2. Foxymoron Digital Marketing Private Limited (“**FMDMPL**” or “**Second Transferor Company**”) is engaged in the business of conceptualizing, designing and executing digital marketing solutions including online advertising, public relations, graphic design and print solutions, events and activation, creating information systems, websites and/or portals.
- 1.3. Zoo Media Private Limited (“**ZMPL**” or “**Transferee Company**”) is currently engaged in the business of providing digital marketing solutions to various target groups including but not limited to industrial, commercial, banking, finance, etc. It also provides various consultancy services, advisory and counseling in the field of conceptualizing, designing and executing digital marketing solutions.
- 1.4. First Transferor Company, Second Transferor Company and the Transferee Company have same shareholders owning the shares in the same shareholding ratio. Further directors of all the said Companies are also same and common. These Companies are part of Zoo Media Group.

RATIONALE OF THE SCHEME:

- 1.5. Implementation of the Scheme shall result in consolidation of businesses, business resources and activities, integration of operations under a single unified entity, facilitating optimum utilization of assets and other resources for future growth, avoiding duplication of efforts and resources, and thereby providing economies of scale.

- 1.6. Consolidated entity to emerge stronger financially resulting in increased business and improved financial leverage.
- 1.7. All the Companies have common shareholders with common management and control. The consolidation of the companies shall simplify the business structure by eliminating multiple entities and creating a single unified entity resulting in integration of operations and simplification of structure while all the shareholders / shareholding pattern pre and post the merger remains the same.
- 1.8. Combined entity would be able to effectively optimize the overall administrative and statutory compliances.

In view of the aforesaid, the Board of Directors of all the three Companies have considered and proposed this Scheme of merger of the Transferor Companies (i.e., RHEPL and FMDMPL) with the Transferee Company (i.e., ZMPL). This merger shall benefit the stakeholders of the said Companies and would not be detrimental to interest of such stakeholders.

PART- II

2. DEFINITIONS

In this Scheme, unless repugnant to or inconsistent with the subject or context thereof, the following expression shall have the following meaning:-

- 2.1. “**Act**” means the Companies Act, 2013 including rules, regulations, orders and notifications made thereunder or any statutory modification, re-enactment or amendments thereof for the time being in force.
- 2.2. “**Appointed Date**” means April 1, 2022.
- 2.3. “**Board of Director(s)**” or “**Board**” means the board of director(s) of the Company (ies), as the context may require and shall include a duly constituted committee thereof, if any.
- 2.4. “**IT Act**” means the Income Tax Act, 1961 including rules (such as the Income Tax Rules 1962), regulations, orders and notifications made thereunder or any statutory modification, re-enactment or amendments thereof for the time being in force.
- 2.5. “**Operative Date**” means the date on which certified copies of the NCLT’s order sanctioning this Scheme are filed by the companies

with the Registrar of Companies, Mumbai. Any references in this Scheme to “upon this Scheme becoming effective” or “upon coming into effect of this Scheme” or “upon the Scheme coming into effect” or “upon this Scheme becoming operative” or “upon coming into operation of this Scheme” shall be construed to be a reference to the Operative Date.

- 2.6. **“the First Transferor Company”** or **“RHEPL”** means Rabbit Hole Entertainment Private Limited, a company incorporated under the Companies Act, 2013 on January 10, 2020, having CIN: U74999MH2020PTC335858 and having its registered office at 602, 6th Floor, Plot 98, Neelkanth Netaji Subhash Road, Marine Drive, Mumbai - 400 002.
- 2.7. **“the Second Transferor Company”** or **“FMDMPL”** means Foxymoron Digital Marketing Private Limited, a company incorporated under the Companies Act, 2013 on January 15, 2020, having CIN: U74999MH2020PTC336110 and having its registered office 602, 6th Floor, Plot 98, Neelkanth Netaji Subhash Road, Marine Drive, Mumbai - 400 002.
- 2.8. **“Transferee Company”** or **“ZMPL”** means Zoo Media Private Limited, a company incorporated under the Companies Act, 2013 on February 11, 2020, having CIN: U74300MH2020PTC337474 and having its registered office at 602, 6th Floor, Plot 98, Neelkanth Netaji Subhash Road, Marine Drive, Mumbai - 400 002.
- 2.9. **“the Transferor Companies”** collectively means the First Transferor Company and the Second Transferor Company
- 2.10. **“the Companies”** collectively means the First Transferor Company, the Second Transferor Company, and the Transferee Company, or a combination of any two or more companies to this Scheme, as the context may require.
- 2.11. **“Tribunal”** or **“NCLT”** shall mean the Hon’ble National Company Law Tribunal, Mumbai Bench at Mumbai having jurisdiction over the Companies.
- 2.12. **“Undertaking(s)”** shall mean and include the entire business and the whole of each of the respective Undertakings of the Transferor Companies (including business, properties, assets, investments, goodwill, and rights of whatever kind and nature, real or personal, tangible or intangible, that are owned, leased or licensed, liabilities, obligations and commitments) as a going concern together with all its debts, outstanding liabilities, duties and obligations as on the

Appointed Date and therefrom and without prejudice to its generality of the foregoing clause the said entire Undertaking includes:

2.12.1. All the properties, whether movable or immovable, tangible or intangible, corporeal or incorporeal, recorded in books of accounts or not, intellectual property whether in possession or reversion, present or contingent, fixed assets, and advances for assets, stock in trade, debtors, current assets, investments, loans and advances, powers, authorities, allotments, approvals and consents, licenses, tenancy rights, tenancy licenses, permits, quotas, subsidies and incentives, registrations, contracts, engagements, arrangements, rights, titles, interests, benefits and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Companies, including but without being limited to all product patents, process patents, trademarks, copyrights, and other industrial, commercial and intellectual properties, trade names, and other commercial rights of any nature whatsoever including any applications filed for securing of any such intellectual property whether in India or abroad, rights and licenses in respect thereof, privileges, liberties, easements, advantages, benefits, leases, ownership flats, authorizations, right to use and avail of telephones, utilities, electricity and electronic, email, internet, leased line connections and installations, and other services, reserves, provisions, funds, benefits of all agreements and all other interests belonging to or in the ownership, power or possession or in the control of or vested in or granted in favour of or enjoyed by the Transferor Companies as on the Appointed Date (hereinafter referred to as “the said **Assets**”).

2.12.2. Trademarks, brands, goodwill, and all other intellectual rights and properties of the Transferor Companies.

2.12.3. All debts, liabilities, duties and obligations of the Transferor Companies as on the Appointed Date (hereinafter referred to “the said **Liabilities**”).

2.12.4. Without prejudice to the generality of Sub-clause 2.11.1, 2.11.2 and 2.11.3 above, the respective Undertakings of the Transferor Companies shall include all reserves, provisions, funds, assets including investments, claims, powers,

authorities, allotments, approvals, consents, registrations, contracts, enactments, arrangements, rights, titles, interest, benefits, advantages, leasehold rights and, systems of any kind whatsoever, trademarks, patents and other industrial and intellectual properties whether in India or abroad, rights and benefits of all agreements and other interests including rights and benefits under various schemes of different taxation laws as may belong to or be available to the Transferor Companies, rights and powers of every kind, nature and description of whatsoever probabilities, liberties, easements, advantages, and approval of, whatsoever nature and wheresoever situated, belonging to or in ownership, power or possession or control or entitlement of the Transferor Companies.

2.12.5. All agreements, rights, contracts, entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals and benefits, subsidies, connections, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims to any patents, trademarks, design, quota rights, engagements, arrangements, authorities, allotments, security arrangements, benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the business activities and operations of the Transferor Companies;

2.12.6. All records, files, papers, designs and process information, computer programmes, manuals, data, catalogues, quotations, sales and advertising materials, books of accounts, vouchers, list of present and former customers and suppliers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form of the Transferor Companies;

2.12.7. Right to any claim not preferred or made by the Transferor Companies in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Companies and any interest thereon with regard to any act, law or rule made by government and all balance with government and government authorities; and

2.12.8. All staff, workmen, employees engaged in or relating to the business activities of the Transferor Companies.

2.13. “**this Scheme**” or “**the Scheme**” or “**Scheme of Merger**” means this Scheme of amalgamation / merger of Rabbit Hole Entertainment Private Limited (“**First Transferor Company**”) and Foxymoron Digital Marketing Private Limited (“**Second Transferor Company**”) with Zoo Media Private Limited (“**Transferee Company**”), and their respective shareholders, in its present form with any amendment/modifications approved or imposed or directed by the shareholders and/or by the NCLT and accepted by the Board of Directors of the Companies respectively under section 230 – 232 of the Act.

2.14. Terms not defined but used in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to said terms under the Act, the IT Act and / or other applicable laws, rules, regulations and byelaws, as the case may be, or any statutory amendment(s) or re-enactment thereof, for the time being in force.

3. SHARE CAPITAL

3.1. The authorised, issued, subscribed and paid-up share capital of RHEPL, the First Transferor Company as on March 31, 2022 is as under:

Particulars	Amount in Rs.
Authorised Share Capital	
10,000 equity shares of Rs.10/- each.	1,00,000
TOTAL	1,00,000
Issued, Subscribed and Paid-up Share Capital	
10,000 equity shares of Rs.10/- each fully paid up.	1,00,000
TOTAL	1,00,000

Subsequently, there is no change in capital structure of the First Transferor Company till date.

- 3.2. The authorised, issued, subscribed and paid-up share capital of FMDMPL, the Second Transferor Company as on March 31, 2022 is as under:-

Particulars	Amount in Rs.
Authorised Share Capital	
10,000 equity shares of Rs.10/- each.	1,00,000
TOTAL	1,00,000
Issued, Subscribed and Paid-up Share Capital	
10,000 equity shares of Rs.10/- each fully paid up.	1,00,000
TOTAL	1,00,000

Subsequently, there is no change in capital structure of the Second Transferor Company till date.

- 3.3. The authorised, issued, subscribed and paid-up share capital of ZMPL, the Transferee Company as on March 31, 2022 is as under:

Particulars	Amount in Rs.
Authorised Share Capital	
10,000 equity shares of Rs.10/- each.	1,00,000
TOTAL	1,00,000
Issued, Subscribed and Paid-up Share Capital	
10,000 equity shares of Rs.10/- each fully paid up.	1,00,000
TOTAL	1,00,000

Subsequently, there is no change in capital structure of the Transferee Company till date.

4. DATE OF TAKING EFFECT

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Tribunal and approved by the Board of directors shall be effective from the Appointed Date but shall be operative from the Operative Date.

PART-III

MERGER AND VESTING OF THE TRANSFEROR COMPANIES (INCLUDING ENTIRE UNDERTAKING(S) THEREOF) WITH THE TRANSFEREE COMPANY.

5. With effect from Appointed Date and upon the Scheme becoming effective, pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Act, the entire respective Undertaking(s) of the Transferor Companies stand merged with and be vested in the Transferee Company as a going concern in accordance with Section 2(1B) of the IT Act, without any further act, deed, instrument, matter in the following manner:
 - 5.1. With effect from the Appointed Date, the whole of the respective Undertaking(s) of the Transferor Companies comprising of movable and immovable properties, cash and bank balances and all other assets and liabilities of whatsoever nature and wheresoever situated, shall without any further act or deed (save as provided in Clauses 5.2 and 5.3 below) be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become as from the Appointed Date the assets and liabilities of the Transferee Company and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Companies therein by virtue of this Scheme.
 - 5.2. All the movable assets including cash in hand, if any, of the Transferor Companies, capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, to the Transferee Company. Such delivery shall be made on a date mutually agreed upon between the Board of Directors of the Transferor Companies and the Board of Directors of the Transferee Company with effect from the Appointed Date.
 - 5.3. In respect of movables other than those specified in sub-clause 5.2 above, including outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi-Government, local and other authorities and bodies, and other persons, the following modus operandi or otherwise as agreed by the Board of Directors of the Transferee Company for intimating to third parties shall to the extent possible be followed:

- 5.3.1. The Transferee Company shall give notice in such form as it may deem fit and proper, to each person, debtor or depositor as the case may be, that pursuant to the Tribunal having sanctioned the Scheme between the Transferor Companies and the Transferee Company, the said debt, loan advance or deposit be paid or made good or held on account of the Transferee Company as the person entitled thereto to and that appropriate entry should be passed in its books to record the aforesaid change;
- 5.3.2. The Transferor Companies, shall also give notice in such form as they may deem fit and proper to each person, debt or depositor that pursuant to the Tribunal having sanctioned the Scheme between the Transferor Companies and the Transferee Company, the said debt, loan, advance or deposit be paid or made good or held on account of the Transferee Company and that the right of the Transferor Companies, to recover or realise the same stands extinguished.
- 5.4. In respect of such of the assets and properties of the Undertaking(s) of the Transferor Companies as are immovable in nature, whether held as fixed assets and/or inventory and/or investments, the same shall be so transferred by the Transferor Companies and shall, upon such transfer, become as and from the Appointed Date, the immovable assets and properties of Transferee Company, without any further act, instrument or deed, and it shall not be necessary to obtain the consent of any third party or other person in order to give effect to the provisions of this clause. From Operative Date, the Transferee Company shall be entitled to exercise and enjoy all rights and privileges attached to such immovable properties and shall be liable to pay the ground rent and taxes and fulfill all obligations. The mutation or substitution of the title to the immovable properties shall upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by appropriate authorities pursuant to the sanction of this Scheme. The Transferee Company shall under the provisions of this Scheme be deemed to be authorized to execute any such instruments, deeds and writings on behalf of the Transferor Companies and to implement or carry out all such formalities or compliances on the part of the Transferor Companies to be carried out or performed in order to give effect to the provisions of this clause.
- 5.5. All lease and license agreements, if any, entered into by the Transferor Companies with landlords, owners and lessors in connection with the use of the assets, together with security deposits,

shall stand automatically transferred and vested in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The Transferee Company shall continue to pay rent amounts as provided for in such agreements and shall comply with the other terms, conditions and covenants thereunder and shall also be entitled to refund of security deposits paid under such agreements by the Transferor Companies.

- 5.6. With effect from the Appointed Date, all debts, liabilities, duties and obligations of every kind, nature and description of the Transferor Companies shall also under the provisions of Section 230 read with Section 232 of the Act, without any further act or deed, be merged, be vested, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date the debts, liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub-clause.
- 5.7. All the registrations in the name of the Transferor Companies shall be deemed to be transferred in the name of the Transferee Company from the Operative Date, effective from Appointed Date and the Transferee Company shall give requisite intimations for this purpose to all concerned.
- 5.8. In a case of registrations in the name of the Transferor Companies, other than the registrations mentioned above, the Transferee Company may make a fresh application to the appropriate authorities to procure the same, by complying with the requisite laws or regulations.
- 5.9. It is clarified that the Scheme shall not in any manner affect the rights and interest of the creditors of the Transferor Companies or be deemed to be prejudicial to their interests.
- 5.10. For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that with effect from the Operative Date until such times the name of the bank accounts of the Transferor Companies would be replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the respective Transferor Companies in their respective names in so far as may be necessary.

All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the respective Transferor Companies after the Operative Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. The Transferee Company shall be allowed to maintain banks accounts in the name of the respective Transferor Companies for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the respective Transferor Companies. It is hereby expressly clarified that any legal proceedings by or against the respective Transferor Companies in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the respective Transferor Companies shall be instituted, or as the case may be, continued by or against the Transferee Company after the coming into effect of the Scheme. The Transferee Company shall under the provisions of the Scheme be deemed from Appointed Date, to be authorised to execute any such writings on behalf of the Transferor Companies, to implement and carry out all formalities and compliances, if required, referred to above. For the purpose of effectively transferring the amounts lying in the Bank accounts and shares lying in demat accounts (if any) of the Transferor Companies and for recovering the amounts due, the Transferee Company shall be entitled to continue with their bank accounts after the Operative Date (if any).

- 5.11. Upon the Scheme coming into effect, the borrowing limits of the Transferee Company, shall without any further act or deed, stand enhanced by an amount equivalent to the authorised borrowing limits of the Transferor Companies where applicable, such limits being incremental to the existing limits of the Transferee Company. The Transferee Company may thereafter increase these limits as enhanced from time to time by obtaining sanction from its shareholders in accordance with the provisions of the Act.
- 5.12. The transfer and vesting of all the assets of the Transferor Companies, as aforesaid, shall be subject to the existing securities, charges, hypothecation, mortgages and encumbrances, if any, subsisting over or in respect of any of the assets or any part thereof of the Transferor Companies, provided however, any reference in any security documents or arrangements (to which any of the Transferor Companies are a party) wherein the assets of the Transferor Companies have been or are offered or agreed to be offered as security for any financial assistance or obligations shall be

construed as reference only to the assets pertaining to the undertaking of the Transferor Companies as are vested in the Transferee Company by virtue of this Scheme, and it shall not operate to enlarge such securities, charges, hypothecations or mortgages to the end and intent that such securities, charges, hypothecations and mortgages shall not extend or be deemed to extend, to any of the assets of the Transferee Company or vice versa.

- 5.13. The securities, charges and mortgages (if any subsisting) over and in respect of the assets, immovable property or any part thereof of the Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges, hypothecations or mortgages to the end and intent that such securities, charges, hypothecations and mortgages shall not extend or be deemed to extend, to any of the assets of the Transferor Companies vested in the Transferee Company. Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Companies which shall vest in the Transferee Company by virtue of the merger of the Transferor Companies with the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security there for after the merger has become operative.
- 5.14. On and from the Appointed Date, all loans, advances, deposits, inter-company balances or investments or any other obligations, if any, due between or amongst the Transferor Companies and the Transferee Company shall come to an end and suitable effect shall be given in the books of the Transferee Company. For removal of doubts, it is hereby clarified that from the Appointed Date, there would be no accrual of interest, dividend or other charges in respect of any such loans, advances, debentures, investments, deposits, inter-company balances or other obligations (if any) inter-se between the Transferor Companies and the Transferee Company.
- 5.15. All resolutions, if any, of the Transferor Companies, which are valid and subsisting, shall under the provisions of the Sections 230 to Sections 232 of the Act, if any, without any further act or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be stand and continue to be valid subsisting and be considered as resolutions of the Transferee Company. The provisions of this clause shall operate notwithstanding anything to the contrary contained in any instrument, deed, document or writing or terms of sanction or issue of any security document, all of which instrument, deeds, documents

or writings shall stand modified and/or superseded by the foregoing provisions.

6. CONSIDERATION

- 6.1. Upon the Scheme becoming effective and in consideration of the merger and vesting of the Undertaking(s) of the Transferor Companies in the Transferee Company in terms of the Scheme, the consideration in respect of such transfer shall, without any further application, act, instrument, deed, be paid and satisfied by the Transferee Company as follows:
 - 6.1.1. The equity shareholders of the First Transferor Company, shall be issued and allotted 1 (One) equity share of Rs. 10/- (Ten) each, credited as fully paid up, of the Transferee Company for every 1 (one) equity shares of the face value Rs.10/- (Ten) each held by them in the First Transferor Company.
 - 6.1.2. The equity shareholders of the Second Transferor Company, shall be issued and allotted 1 (One) equity share of Rs. 10/- (Ten) each, credited as fully paid up, of the Transferee Company for every 1 (one) equity shares of the face value Rs.10/- (Ten) each held by them in the Second Transferor Company.
- 6.2. Fractional shares arising out of the above allotment of equity shares in accordance with clause 6.1.1 and 6.1.2, if any, shall be rounded off to the next integer.
- 6.3. Upon the Equity Shares being issued and allotted to the Equity Shareholders of the Transferor Companies pursuant to this Scheme, the share certificates in respect of the equity shares held in the Transferor Companies shall without any further act, instrument be deemed to have been automatically cancelled and be of no effect and the Transferee Company instead of requiring surrender of share certificates of the Transferor Companies , may directly issue and dispatch fresh share certificates of the Transferee Company in respect of the Shares issued and allotted by the Transferee Company.
- 6.4. The Equity Shares issued and allotted to the shareholders of the Transferor Companies shall be subject to the memorandum and articles of association of the Transferee Company.

- 6.5. Subject to clauses 10, 14 or any other provision of the Scheme, until the Operative Date, the equity shareholders of the Transferor Companies, shall continue to enjoy their rights under the existing articles of association of the respective Transferor Companies.
- 6.6. The Transferee Company shall, if necessary and to the extent required, reclassify and/or increase its authorized share capital to facilitate issue and allotment of equity shares as consideration under this Scheme.
- 6.7. The new equity shares of the Transferee Company issued as above will be issued in physical form to the shareholders holding equity shares of the Transferor Companies respectively.
- 6.8. The issue and allotment of equity shares to the shareholders of the, the Transferor Companies; as provided in this Scheme, shall be deemed to be carried out as if the procedure laid down under Section 62 and any other applicable provisions of the Act were duly complied with.

7. ACCOUNTING TREATMENT

- 7.1. The merger shall be accounted for in the books of accounts of the Transferee Company in accordance with the 'Pooling of Interest Method' as laid down by AS-14 (Accounting for Amalgamations), prescribed under the Act.
- 7.2. The Transferee Company shall credit in its books of accounts, face value of the equity shares to be issued to the equity shareholders of the Transferor Companies pursuant to the Scheme, to its equity share capital account.
- 7.3. Upon the Scheme coming into effect from Appointed Date, the Transferee Company shall record all the assets and liabilities of the Transferor Companies as reflected at their respective book values.
- 7.4. The identity of the reserves of the Transferor Companies shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form in which they appeared in the financial statements of the Transferor Companies, prior to this Scheme being made effective.
- 7.5. Pursuant to the provisions of clause 6 and clause 7.1, 7.2, 7.3 and 7.4, the excess, if any, of the value of the assets over the value of the liabilities of the Transferor Companies transferred to and vested in the Transferee Company pursuant to this Scheme and recorded in

the books of account of the Transferee Company, shall be credited to Capital Reserve in the books of the Transferee Company. Similarly, deficit if any, may be debited to Goodwill in the books of the Transferee Company.

7.6. To the extent that there are inter-corporate loans, investment, advances, assignment or balances between the Transferee Company and the Transferor Companies or between the Transferor Companies inter-se, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of account and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be. For the removal of doubts, it is hereby clarified that there would be no accrual of interest, dividend or other charges in respect of any such inter-company loans or balances with effect from the Appointed Date.

7.7. In case of any difference in any of the accounting policies between the Transferor Companies and the Transferee Company, the impact of the same in the merger will be quantified and adjusted in the balance lying in the Statement of Profit and Loss account as reflected in the balance sheet of the Transferee Company to ensure that the financial statement of the Transferee Company reflects the financial position on the basis of consistent accounting policies.

7.8. The Transferee Company (by its Board of Directors) may alter or modify the provisions of this clause, in consultation with their auditors, as they may deem fit and consider necessary, to settle any question / difficulty arising out of the Scheme, to comply with the relevant laws, the IT Act and applicable Accounting Standards.

8. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

Subject to all the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which the Transferor Companies are a party or for the benefit of which the Transferor Companies may be eligible and which are subsisting or having effect immediately before the Operative Date, shall be in full force and effect against or in favor of, as the case may be, of the Transferee Company and enforced as fully and effectively as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary thereto. The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into a tripartite arrangement, confirmation or novation to which the Transferor Companies will, if necessary, also be a party in order to give formal effect to this clause if so required or becomes necessary.

9. LEGAL PROCEEDINGS

- 9.1. If any suit, writ petition, appeal, revision or other proceedings of whatever nature (hereinafter called “**the Proceedings**”) by or against the Transferor Companies be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertakings of the Transferor Companies or of anything contained in the Scheme, but the Proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Companies as if the Scheme had not been made.
- 9.2. On and from the Operative Date, the Transferee Company shall be entitled to initiate any legal proceeding for and on behalf of the Transferor Companies for any actions taken by or against the Transferor Companies, or any other person, as the case may be. The remedy shall be available notwithstanding the fact the Transferor Companies stands dissolved without winding up from the Operative Date.

10. CONDUCT OF BUSINESS BY TRANSFEROR COMPANIES TILL OPERATIVE DATE

With effect from the Appointed Date, and up to the Operative Date:

- 10.1. The Transferor Companies shall carry on or deemed to have carried on all their respective business and activities and shall be deemed to have held or stood possessed of and shall hold and stand possessed of all the assets for and on account of and in trust for the Transferee Company.
- 10.2. All the profits or incomes accruing or arising to the Transferor Companies or expenditure or losses arising or incurred by the Transferor Companies shall for all purposes be treated and be deemed to be and accrued as the profits and income or expenditure or losses of the Transferee Company, as the case may be.
- 10.3. The Transferor Companies shall carry on their respective business activities with reasonable diligence, business prudence and shall not alienate, charge, mortgage, encumber or otherwise deal with assets or any part thereof except in the ordinary course of business or pursuant to any pre-existing obligation undertaken by the Transferor

Companies prior to the Appointed Date except with prior written consent of the Transferee Company.

- 10.4. The Transferor Companies shall not, without prior written consent of the Transferee Company, take any major policy decisions in respect of the management and for the business and shall not change its present capital structure.

11. EMPLOYEES

- 11.1. All employees of the Transferor Companies in service on the Operative Date, if any, shall become employees of the Transferee Company on such date without any break or interruption in service and on terms and conditions as to remuneration not less favourable than those subsisting with reference to the Transferor Companies as on the said date.

- 11.2. As far as the Provident Fund, Gratuity Fund, Superannuation Fund or any other special fund (“**Fund**”) created or existing for the benefit of such permanent employees of the Transferor Companies are concerned, on and from the Operative Date, the Transferee Company shall stand substituted for Transferor Companies and for such employees of the Transferee Company for all the purposes whatsoever related to administration or operation of such Funds in accordance with provisions of such Funds according to the terms provided in the respective trust deeds or other documents. It is clarified that the services of such permanent employees of the Transferor Companies will be treated as having been continuous and not interrupted for the purposes of such Funds.

12. TREATMENT OF TAXES

- 12.1. All or any tax liabilities, refunds, credits, claims, tax incentives, advantages, privileges, exemptions, benefits, remissions, reductions, tax holidays, minimum alternate tax credits relating thereto under the IT Act, sales tax, value added tax, excise laws, custom duties, goods and services tax or other applicable laws / regulations dealing with taxes / duties / levies/indirect taxes (hereinafter in this clause referred to as “**Tax Laws**”) allocable or related to the Transferor Companies whether provided for or covered by tax provisions in the financial statements made as on the Appointed Date, or not, shall be available and be treated as liabilities, refunds, credits, claims of the Transferee Company and shall be transferred to the Transferee Company from and with effect the Appointed Date, and following the Operative Date, the Transferee Company shall be entitled to

initiate, raise, add or modify any claims in relation to such Tax Laws on behalf of the Transferor Companies even if prescribed limit for such action have elapsed. For avoidance of doubt, input tax credits already availed of or utilized by the Transferor Companies in respect of inter se transactions shall not be adversely impacted by cancellation of inter se transactions pursuant to this Scheme. Any surplus in the provision for taxation/ duties/ levies account including advance tax and TDS, credit for minimum alternate tax, credit for goods and service tax as on the Appointed Date will also be transferred to the account of the Transferee Company as applicable.

- 12.2. Any refund under the Tax Laws due to the Transferor Companies, consequent to the assessments made on the Transferor Companies and for which no credit is taken in the financial statements as on the Appointed Date shall also belong to and be received by the Transferee Company as applicable.
- 12.3. Without prejudice to the generality of the above, all benefits, credits, refunds, exemptions, incentives or concessions under Tax Laws as may be applicable to which the Transferor Companies are entitled to in terms of the applicable Tax Laws of the Union and State Governments in India, shall be available to and vest in the Transferee Company as applicable.
- 12.4. Transferor Companies and Transferee Company shall be entitled to, amongst others, file / or revise its income tax returns, TDS/TCS returns, Goods and service tax returns, excise duty, cess, professional tax or any other statutory returns, if required, credit for advance tax paid, tax deducted at source, claim for sum prescribed under section 43B of the IT Act on payment basis, claim for deduction of provisions written back by Transferor Companies and Transferee Company previously disallowed in the hands of Transferor Companies and Transferee Company respectively under the IT Act, credit of tax under section 115JB read with section 115JAA of the IT Act, credit of foreign taxes paid/ withheld, if any, pertaining to Transferee Company and Transferor Companies as may be required consequent to implementation of this Scheme and Transferor Companies and where necessary to give effect to this Scheme, even if the prescribed time limits for filing or revising such returns have lapsed without incurring any liability on account of interest, penalty or any other sum. Transferor Companies and Transferee Company shall have the right to claim refunds, tax credits, set-offs and/or adjustments relating to the income or transactions entered into by them by virtue of this Scheme with effect from Appointed Date. The taxes or duties paid by, for, or on

behalf of, Transferor Companies and Transferee Company (relating to the period on or after Appointed Date, shall be deemed to be the taxes or duties paid by Transferor Companies and Transferee Company respectively and Transferor Companies and Transferee Company shall be entitled to claim credit or refund for such taxes or duties.

- 12.5. Any advance tax, self-assessment tax, minimum alternate tax and/or TDS credit available or vested with Transferor Companies and Transferee Company, including any taxes paid and taxes deducted at source and deposited by Transferee Company and Transferor Companies on inter se transactions during the period between Appointed Date and the Operative Date, shall be treated as tax paid by Transferor Companies and Transferee Company respectively and shall be available to Transferor Companies and Transferee Company for set-off against its liability under the IT Act and any excess tax so paid shall be eligible for refund together with interest. Further, TDS deposited, TDS certificates issued or TDS returns filed by Transferor Companies and Transferee Company on transactions other than inter se transactions during the period between Appointed Date and the Operative Date, as applicable, shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by Transferor Companies and Transferee Company respectively. Any TDS deducted by, or on behalf of, Transferor Companies and Transferor Company on inter se transactions will be treated as tax deposited by Transferor Companies and Transferee Company respectively.

13. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the Undertakings as per Part III of this Scheme and the continuation of proceedings by or against the Transferee Company shall not affect any transaction or proceedings already concluded by the Transferor Companies on or after the Appointed Date till the Operative Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Companies in regard thereto, as if done and executed by the Transferee Company on its behalf.

14. DIVIDEND, PROFIT AND BONUS/RIGHTS SHARES

- 14.1. The Transferor Companies shall not without the prior written consent of the Transferee Company, declare any dividends, whether

interim or final, for the financial year ending on or after the Appointed Date and subsequent financial years.

- 14.2. The Transferor Companies shall not issue or allot any bonus shares or rights shares out of its authorised or unissued share capital for the time being.
- 14.3. Subject to the provisions of this Scheme, the profits of the Transferor Companies for the period beginning from the Appointed Date shall belong to and be the profits of the Transferee Company and will be available to the Transferee Company for being disposed of in any manner as it thinks fit.
- 14.4. The Transferor Companies shall not, except with the consent of the Board of Directors of the Transferee Company, alter its paid up capital structure by making preferential allotment of shares or otherwise, after the approval of the Scheme by the Board of Directors of the Transferee Company.

15. DISSOLUTION OF THE TRANSFEROR COMPANIES

The First Transferor Company and the Second Transferor Company shall be dissolved without winding up on an order made by NCLT under Section 232 of the Companies Act, 2013.

16. COMPLIANCE OF TAX LAWS

The merger of the Transferor Companies with the Transferee Company, 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(1B) of the Income-tax Act, 1961 without any further act, deed, and instrument. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the IT Act, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the IT Act, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the IT Act. Such modification shall however not affect the other parts of the Scheme.

PART – IV

GENERAL TERMS AND CONDITIONS

17. COMBINATION OF AUTHORISED SHARE CAPITAL OF THE TRANSFEREE COMPANY

- 17.1. Upon the Scheme coming into effect, the authorized share capital of the Transferee Company shall automatically stand increased and re-classified without any further act on the part of the Transferee Company including payment of stamp duty and registration fees payable to Registrar of Companies, by clubbing the authorized share capital of the Transferor Companies.
- 17.2. Consequent to the clubbing of the authorized share capital of the Transferor Companies with the Transferee Company, the authorized share capital of the Transferee Company shall be increased to Rs 3,00,000 divided into 30,000 equity shares of Rs 10/- each.
- 17.3. The consent/resolution approving the Scheme shall be deemed to be the approval of clubbing of the authorized share capital of the Transferee Company under Section 13 and other applicable provisions of the Companies Act, 2013 and the Companies (Share Capital and Debentures) Rules, 2014. The words and figures in Clause V of the Memorandum of Association of the Transferee Company relating to the authorized share capital, shall without any further act, instrument be and stand clubbed and reclassified pursuant to Section 13 and other applicable provisions of the Act.
- 17.4. The following clause in the Memorandum of Association of the Transferee Company shall stand amended to read as under:

Clause V of the Memorandum of Association.

“The Share Capital of the Company is Rs. 3,00,000/- (Rupees Three Lakhs only) divided into 30,000 (Thirty Thousand) equity shares of Rs.10/- (Rupees ten) each.”

18. APPLICATION TO THE NATIONAL COMPANY LAW TRIBUNAL

The Transferor Companies, the Transferee Company with all reasonable dispatch, shall make applications/petitions to the NCLT for sanctioning of the Scheme under Section 230 to 232 and other applicable provisions of the Act to the National Company Law Tribunal, Mumbai Bench at Mumbai for sanctioning of this Scheme and for dissolution of the

Transferor Companies without winding up under the provisions of the Act.

19. MODIFICATIONS, AMENDMENTS TO THE SCHEME

- 19.1. The Transferor Companies (by their respective Board of Directors), and the Transferee (by its respective Board of Directors) may, in their full and absolute discretion, assent to any alteration or modification or amendment of this Scheme which the NCLT, and/or any other competent authority may deem fit to direct or impose and may give such directions as they may consider necessary to settle any question or difficulty arising under the Scheme or in regard to its implementation or in any matter connected therewith.
- 19.2. The Board of Directors of the Transferor Companies, and the Transferee Company hereby authorise the Board of Directors of the Transferee Company to give assent to any modifications or amendment(s) in the Scheme which may be considered necessary or desirable for any reason whatsoever and without prejudice to the generality of the foregoing and for any reason whatsoever, the implementation of the Scheme shall not get adversely affected as a result of acceptance of any such modification by the Board of Directors of the Transferee Company and the Board of Directors of the Transferor Companies, and is hereby authorised by the Board of Directors of the Transferor Companies, and the Board of Directors of the Transferee Company to take such steps and to do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubt, difficulties or questions otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith. All amendment/modification pursuant to this clause shall be subject to the approval of NCLT.

20. SCHEME CONDITIONAL UPON APPROVALS/ SANCTIONS

This Scheme is specifically conditional upon and subject to:

- 20.1. Approval of an agreement to the Scheme by the requisite majorities in number and in values of such classes of persons of the Transferor Companies, the Transferee Company and/or as may be directed by the NCLT or any other Appropriate Authority as may be applicable.
- 20.2. The sanctions of the NCLT being obtained for the Scheme under Sections 230 to 232 and other relevant provisions of the Act and the certified copies or authenticated copies of such orders sanctioning the Scheme being filed with the Registrar of Companies, Mumbai.

20.3. All other sanctions and approvals as may be required under applicable laws with regard to this Scheme are obtained.

21. EFFECT OF NON-RECEIPT OF APPROVAL / SANCTION

In the event of any of the approvals or conditions enumerated in clause 20 above not being obtained or complied or for any reasons this Scheme cannot be implemented, then the respective Board of Directors of the Transferor Companies and the Transferee Company shall waive such conditions as they may consider appropriate to give effect appropriately and, as far as possible, to this Scheme and failing such agreement or in case this Scheme is not sanctioned by the NCLT, then the Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred between the Transferor Companies and the Transferee Company or their shareholders or any other person. In such case, each Company shall bear its own costs or as may be mutually agreed.

22. EXPENSES CONNECTED WITH THE SCHEME

All cost, charges and expenses in relation to or in connection with this Scheme and of carrying out and completing the terms and provisions of this Scheme and/or incidental to the completion of merger in pursuance of the Scheme shall be borne and paid by the Transferee Company only. Similarly, the Transferee Company shall alone bear any duties or taxes leviable including stamp duty in pursuance to or as a consequence of this Scheme of merger.