

DRAFT SCHEME OF AMALGAMATION

OF

PAYNX TECHNOLOGIES PRIVATE LIMITED

(The First Transferor Company)

AND

QUALISPACE WEB SERVICES PRIVATE LIMITED

(The Second Transferor Company)

WITH

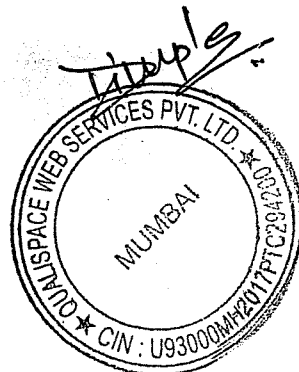
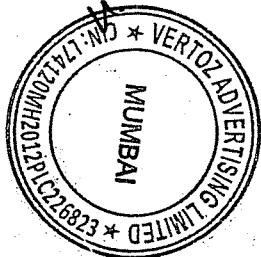
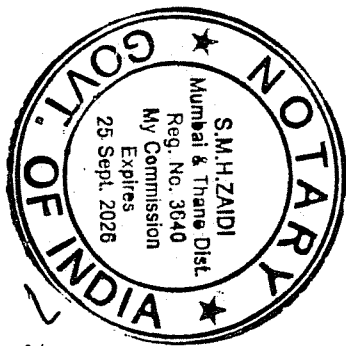
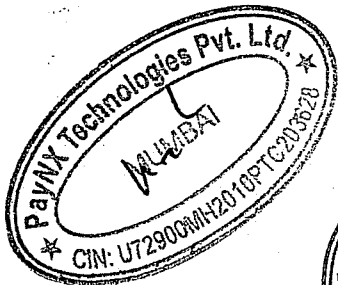
VERTOZ ADVERTISING LIMITED

(Transferee Company)

AND

THEIR RESPECTIVE SHAREHOLDERS

(UNDER SECTION 230 TO 232, AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 & THE RULES FRAMED THEREUNDER INCLUDING ANY STATUTORY MODIFICATIONS OR RE-ENACTMENTS THEREOF, IF ANY)

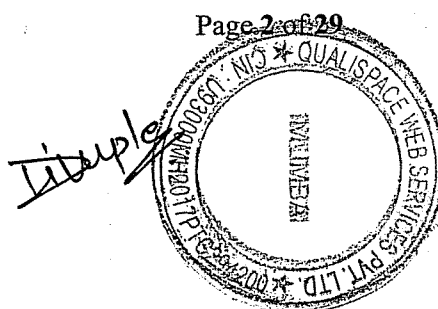
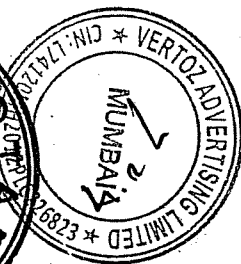
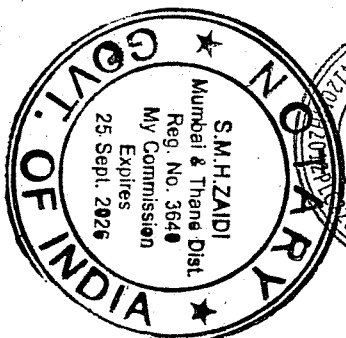
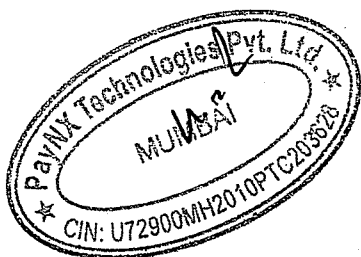


1. PREAMBLE

This Scheme of Merger by Absorption (the Scheme) is presented under 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 or amendment thereof), as may be applicable, for the merger of Paynx Technologies Private Limited (hereinafter referred to as "The First Transferor Company") and Qualispace Web Services Private Limited (hereinafter referred to as "The Second Transferor Company") with Vertoz Advertising Limited (hereinafter referred to as "The Transferee Company") and their respective Shareholders and in compliance with the conditions relating to "Amalgamation" as specified u/s 2(1B) of the Income Tax Act, 1961 and the same is divided into the following parts:

A. DESCRIPTION OF THE COMPANIES:

- a) **FIRST TRANSFEROR COMPANY** : Paynx Technologies Private Limited is an Unlisted Private Company incorporated on 2nd June, 2010 under the Companies Act, 1956 having its registered office at 602, Avior, Nirmal Galaxy, L.B.S. Marg, Opp. Johnson & Johnson, Mulund, Mumbai – 400 080. ("First Transferor Company" or "PAYNX" or "PTPL") [CIN: U72900MH2010PTC203628]. The Shares of PAYNX are not listed on any Stock Exchange and it is a not a subsidiary of Transferee Company. PayNX Technologies Private Limited is an Indian Company duly engaged in business of Digital Advertising and PaaS & IT-enabled Services through its Subsidiaries. It has incorporated various Subsidiaries, which has deep domain expertise in multiple industry verticals and has a complete Portfolio of offerings – Starting from Internet Identity Registration to Digital Marketing & Advertising to Publishing solutions to Advertising Platform as a Service (PaaS).
- b) **SECOND TRANSFEROR COMPANY** : Qualispace Web Services Private Limited is an Unlisted Private Company incorporated on 24th April, 2017 under the Companies Act, 2013 having its registered office at 602, Avior, Nirmal Galaxy, L.B.S. Marg, Opp. Johnson & Johnson, Mulund, Mumbai – 400 080. ("Second Transferor Company" or "QWSPL") [CIN: U93000MH2017PTC294200]. The Shares of QWSPL are not listed on any Stock Exchange and it is not a Subsidiary of Transferee Company. QWSPL is engaged in the business of development of Domain Name and Cloud Hosting Services.

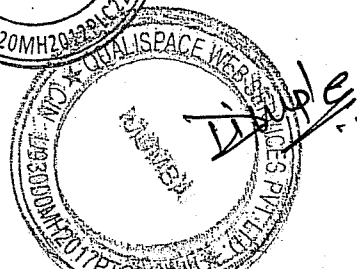
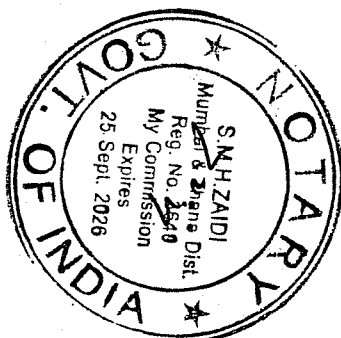
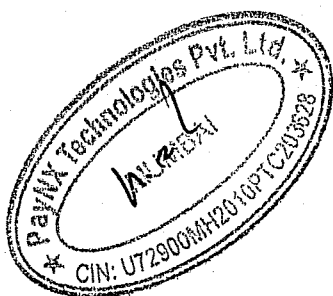


It also provides Services like Email Services, Cloud Servers, SSL Certificates, Backup and Security Services along with other Managed Services. QualiSpace helps the Business to establish their identity on the internet through their Domain Name and IT Infrastructure through its Cloud Services. QualiSpace also works with Independent Software Vendors as their Infrastructure Services Partners through its IaaS - (Infrastructure as a Service) Cloud.

- c) **TRANSFEEE COMPANY:** Vertoz Advertising Limited is a Public Limited Company incorporated on 13th February, 2012 under the Companies Act, 1956 having its Registered Office at 602, Avior, Nirmal Galaxy, L.B.S. Marg, Opp. Johnson & Johnson, Mulund, Mumbai – 400 080 (“Transferee Company” or “VAL”) [CIN : L74120MH2012PLC226823]. The Equity Shares of the Transferee Company are listed on the National Stock Exchange of India Limited (“NSE”). It became the first Listed Company in the Digital Programmatic Space. Vertoz is MADTech (Marketing, Advertising & Deep Technology) Group, helping Digital Marketers, Advertising Agencies and Digital Media businesses with their Data Driven Marketing, Advertising & Monetization expedition by utilizing the latest technology. Vertoz’s various business entities help businesses with everything, from their Data-Driven Marketing Strategy to executing advertising & monetization while keeping Technology at its core in order to optimize the whole process. Vertoz has developed in-house full-stack MADTech Products and acquired various components to complement.

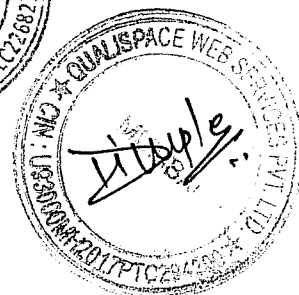
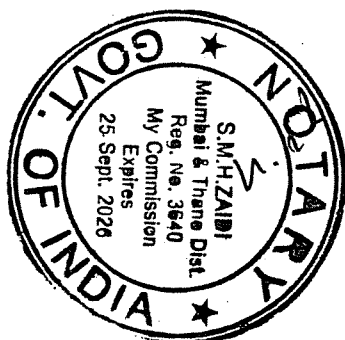
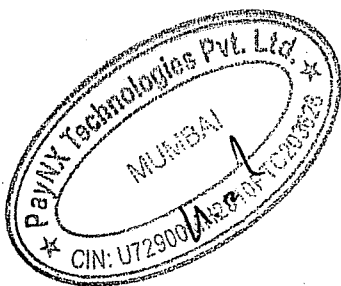
B. RATIONALE OF THE SCHEME:

- o The Amalgamation will enable the Transferee Company to consolidate the businesses and lead to synergies in operation and create a stronger financial base.
- o It would be advantageous to combine the activities and operations of both the Companies into a single Company driving sharper focus for smooth and efficient Management. This will be reflected in the profitability of the Transferee Company.
- o This Scheme of Amalgamation would result in Merger in the nature of Pooling of Interest as per Appendix C of the Indian Accounting Standard 103 on Business Combinations and thus on consolidation of business of the First



Transferor Company and Second Transferor Company with Transferee Company, all the Shareholders of the merged entity will be benefited by result of the amalgamation of Business and availability of a common operating platform.

- o The Amalgamation of the First Transferor Company, Second Transferor Company with the Transferee Company will also provide an opportunity to leverage combined assets and build a stronger sustainable business. Specifically, the merger will enable optimal utilization of existing resources and provide an opportunity to fully leverage strong assets, capabilities, experience and expertise of all the Companies. The merged entity will also have sufficient funds required for meeting its long term capital needs as provided for in the scheme.
- o The Scheme of amalgamation will result in cost saving for all the Companies as they are capitalizing on each other's core competency and resources which are expected to result in stability of operations, cost savings and higher profitability levels for the Transferee Company.
- o The consolidation of **QWSPL with VAL** will also result in:
 - i. Rationalization of number of identified operating entities thereby reducing the legal and regulatory compliances.
 - ii. The Services of VertoZ and QWSPL can easily Cross Sell across its customer base of both the entities like Customer of VertoZ are the Digital Agencies and they majorly buy the Services offered by QWSPL and similarly QWSPL Customers' needs Marketing, Advertising & Monetization Services. Through this Merger, the sales team of both the entities can cross sell the Products and Services.
 - iii. QWSPL brings the expertise of IT Infrastructure internal to the VertoZ Group and helps to reduce its current operational expenses and also creates an edge over its Competitors. Current VertoZ Capabilities is to build the Technology and Platforms for the Marketing and Advertising and whereas QWSPL capabilities are to build and operate.
 - iv. Conglomerates like Google (GCP) / Amazon (AWS) have built the Infrastructure Expertise to complement its core Digital Advertising Business. Similarly, VertoZ will enjoy the benefits of the Infrastructure Expertise of QWSPL. The other benefits are like 24X7X365 Operations of QWSPL helps VertoZ MADTech infrastructure Uptime, Large Scale Networking



capabilities of QWSPL helps Vertoz to setup and maintain global infrastructure of Vertoz MADTech Platforms.

v. Merger of QWSPL and Vertoz brings the backward and forward integration for both entities in terms of value chain. QWSPL can lean on Vertoz capabilities of Marketing and Advertising at a scale. Similarly, Vertoz can offer QWSPL Services to its Brands, Agencies and Publishers' Clients easily.

o The consolidation of **PayNX with VAL** will also result in:

i. PTPL brings 12 Direct and Indirect Entities together to the Vertoz Group. PTPL is one of the large Networks of the Companies in the Marketing, Advertising, Publishing, Infrastructure - IaaS, AdTech and PaaS business.

ii. PTPL Business offers great backward and forward integration between all the PTPL Entities and Vertoz Group all areas of respective business.

iii. Vokut Business of PTPL brings a huge volume of Digital Properties in the Vertoz's Umbrella. This will allow Vertoz to distribute some part of the Clients spends internally on Owned Properties and will greatly increase the bottom line of the combined entities.

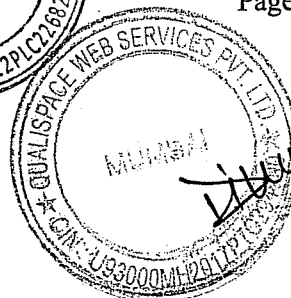
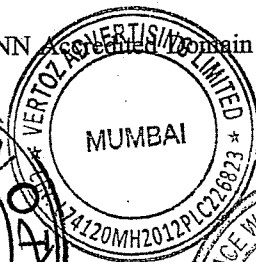
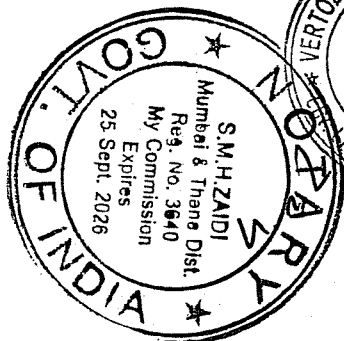
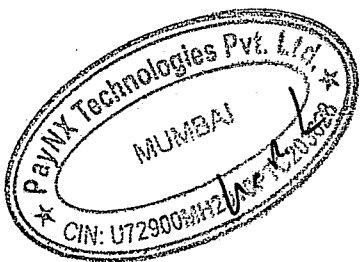
iv. With this merger it brings great visibility in the First Party data of the audience and will greatly help Vertoz to procure additional budgets from its existing Agencies and Brands as the Third Party Cookies going away will bring great value to Vertoz with possession of First Party audience data.

v. Most of the Entities of PTPL also own the multiple Owned and Operated (O&O) Digital Properties which will also bring the similar benefits of the Vokut bringing to the Vertoz business as explained above.

vi. The Business of Contextual Advertising, OpenRTB, Text Ads, Video Traffic of PTPL entities brings great value to Vertoz's AdMozart Marketplace business. The cumulative volume of the merged business of Existing Vertoz Group and PTPL Business will be a record-breaking volume in the entire industry of the Digital Advertising Marketplace under one roof, this will create the dominant position in the Industry.

vii. PTPL's OwnRegistrar and US Based QualiSpace business will bring great value to QWSPL - the Parallel Entity which is also getting merged in this Scheme.

viii. OwnRegistrar is an ICANN Accredited Domain Registrar which will bring



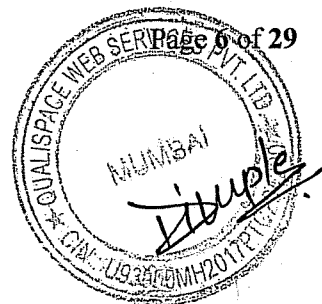
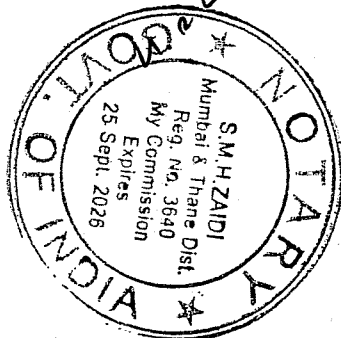
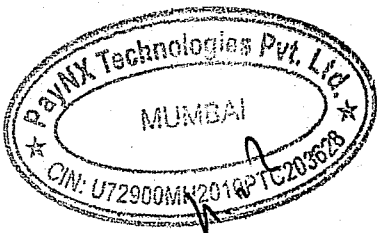
the additional recognition in the Digital Space to Vertoz Group.

- ix. The Network of the OwnRegistrar Domain Resellers can be monetized very well with the help of MADTech Services of Vertoz Group. Most of these Domain Resellers own and operate the Advertising Agency business and Vertoz's Services can be easily sold to them. Similarly, most of the Agency and Brand Clients of Vertoz can be cross sold with the Services of OwnRegistrar and QualiSpace.
- x. PTPT's OwnAdTech PaaS Offerings brings the icing on the cake benefits for all the Entities as most of the Entities are using some Third-Party Platforms to deliver its Services and once all the Entities are merged they can leverage OwnAdTech PaaS Suite of Products and reduce the cost of Third-Party Platforms at a greater scale.

C. PARTS OF THE SCHEME:

The Scheme of Amalgamation is divided into following three parts:

- (i) **Part I** – Deals with the Definitions, Interpretations and Share Capital;
- (ii) **Part II**– Deals with Merger by Absorption of PAYNX and QWSPL with VAL;
and
- (iii) **Part III** – Deals with General Clauses, Terms and Conditions applicable to the Scheme.

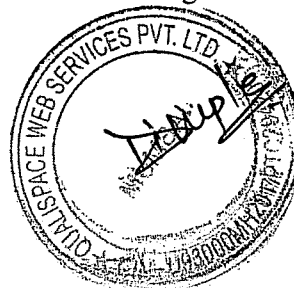
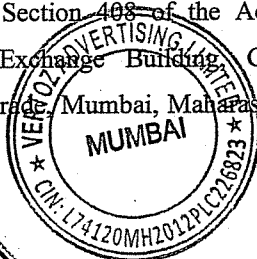
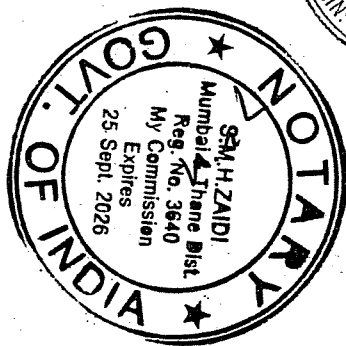


PART I – DEFINITIONS, INTERPRETATIONS AND SHARE CAPITAL

1. Definitions and Interpretation

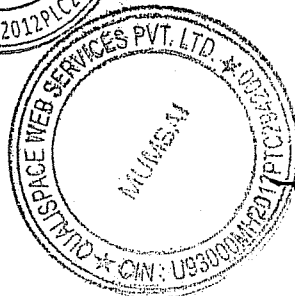
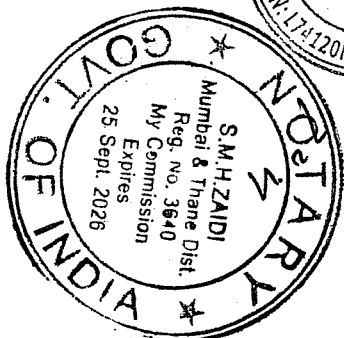
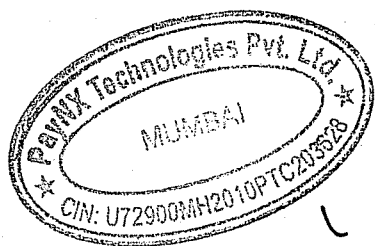
In this Scheme, unless repugnant to the meaning or context thereof, (i) terms defined in the introductory paragraphs and recitals shall have the same meanings throughout this Scheme and (ii) the following words and expressions, wherever used (including in the recitals and the introductory paragraphs above), shall have the following meanings:

- 1.1 **“PAYNX”** or **“PTPL”** means Paynx Technologies Private Limited, an Unlisted Private Company incorporated on 2nd June, 2010 under the Companies Act, 1956 having its Registered Office at 602, Avior, Nirmal Galaxy, L.B.S. Marg, Opp. Johnson & Johnson, Mulund, Mumbai – 400 080.
- 1.2 **“QWSPL”** means Qualispace Web Services Private Limited, an Unlisted Private Company incorporated on 24th April, 2017 under the Companies Act, 2013 having its Registered Office at 602, Avior, Nirmal Galaxy, L.B.S. Marg, Opp. Johnson & Johnson, Mulund, Mumbai – 400 080.
- 1.3 **“Record Date”** means the date to be fixed by the Board of the Directors of VAL, for the purposes of issue and allotment of Shares as may be applicable and relevant in accordance with this Scheme of Amalgamation.
- 1.4 **“Scheme”** means this Scheme of Amalgamation in its present form or with any modification(s) approved or imposed or directed by the Tribunal at Mumbai.
- 1.5 **“SEBI”** means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;
- 1.6 **“The Act”** or **“the said Act”** means the Companies Act, 2013 and the Rules made thereunder as the case may be and shall include any Statutory modifications, re-enactment or amendments thereof for the time being in force.
- 1.7 **“The Appointed Date”** means the 1st April, 2022 or such other date as the National Company Law Tribunal (Tribunal) of Judicature at Mumbai or other competent authority may otherwise direct/ fix.
- 1.8 **“Tribunal”** shall for the purpose of this Scheme, mean the National Company Law Tribunal constituted under Section 408 of the Act (Mumbai Bench) situated at 4th Floor, MTNL Exchange Building, G.D. Somani Marg Chamundeshwari Nagar, Cuffe Parade, Mumbai, Maharashtra 400005 and the



expression shall include, all the powers of the tribunal under Chapter XVII of the Act and the provisions of the Act as applicable to the Scheme shall be construed accordingly.

- 1.9 **"The Effective Date"** means the last date on which Certified Copies of the orders of Hon'ble Tribunal (Mumbai Bench) sanctioning the Scheme of Amalgamation and for vesting the undertaking including the assets, liabilities, rights, duties, obligations and the like of the First Transferor Company and Second Transferor Company in the Transferee Company are filed with the office of the Registrar of Companies, Maharashtra.
- 1.10 **"VAL"** means Vertoz Advertising Limited, a Public Limited Company incorporated on 13th February, 2012 under the Companies Act, 1956 having its Registered Office at 602, Avior, Nirmal Galaxy, L.B.S. Marg, Opp. Johnson & Johnson, Mulund, Mumbai – 400 080.
- 1.11 **"Undertakings"** shall mean and include:
- (a) All the assets and properties and the entire business of the First Transferor Company and Second Transferor Company as on the Appointed Date, (hereinafter referred to as "the said assets")
 - (b) All the debts, liabilities, contingent liabilities, duties, obligations and guarantees of the First Transferor Company and Second Transferor Company as on the Appointed Date (hereinafter referred to as "the said liabilities")
 - (c) all trade and service names and marks, patents, copyrights, goodwill, designs and other intellectual property rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to business activities and operations of the First Transferor Company and Second Transferor Company.
 - (d) Without prejudice to the generality of sub-clause (a) above, the Undertakings of the First Transferor Company and Second Transferor

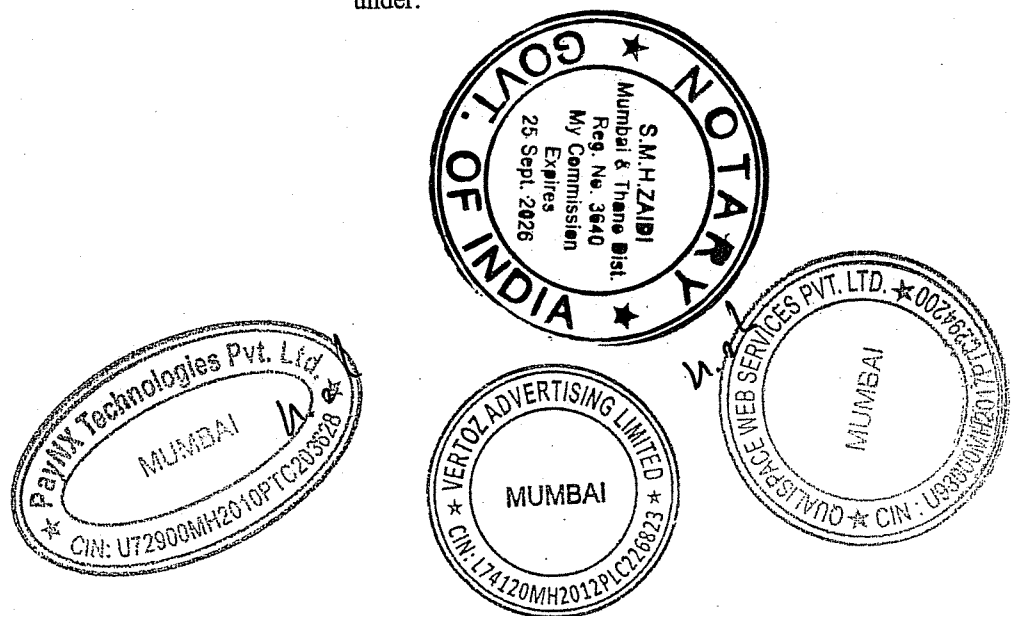


Double

Company shall include all the First Transferor Company and Second Transferor Company's reserves, movable and the immovable properties, all other assets including investments in shares, debentures, bonds and other securities, claims, loans and advances, deposits, ownership rights, lease-hold rights, tenancy rights, occupancy rights, hire purchase contracts, leased assets, lending contracts, revisions, powers, permits, authorities, licenses, consents, approvals, municipal permissions, industrial and other licenses, permits, authorisations, quota rights, registrations, import/ export licenses, bids, tenders, letter of intent, connections for water, electricity and drainage, sanctions, consents, product registrations, quota rights, allotments, approvals, freehold land, buildings, factory buildings, plant & machinery, electrical installations and equipments, furniture and fittings, laboratory equipments, office equipments, effluent treatment plants, tube wells, software packages, vehicles and contracts, engagements, titles, interest, benefits, allocations, exemptions, concessions, remissions, subsidies, tax deferrals, tenancy rights, trademarks, brand names, patents and other industrial and intellectual properties, import quotas, telephones, telex, facsimile, websites, e-mail connections, networking facilities and other communication facilities and equipments, investments, rights and benefits of all agreements and all other interests, rights and power of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals and all necessary records, files, papers, process information, data catalogues and all books of accounts, documents and records relating thereof.

2. SHARE CAPITAL

2.1 The Share Capital of the First Transferor Company as at 31st March 2022 is as under:



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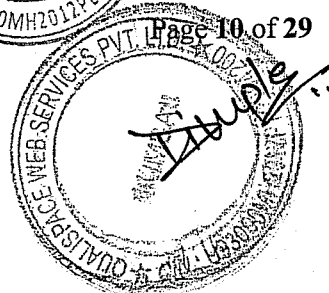
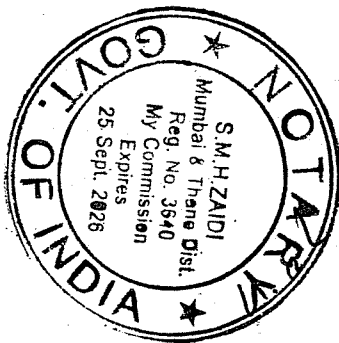
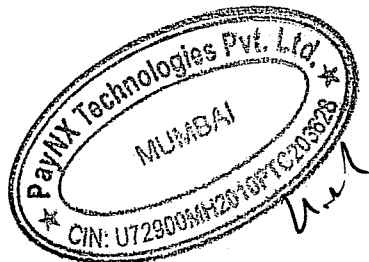
Particulars	Amount in (Rs.)
Authorised Capital	
60,000 Equity Shares of Rs.10/-each.	6,00,000
Total	6,00,000
Issued, Subscribed and Paid-up	
10,000 Equity Shares of Rs: 10/- each fully paid-up.	1,00,000
Total	1,00,000

2.2 The Share Capital of the Second Transferor Company as at 31st March, 2022 is as under:

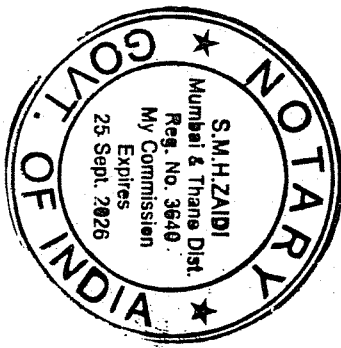
Particulars	Amount in (Rs.)
Authorised Capital	
10,000 Equity Shares of Rs.10/-each.	1,00,000
Total	1,00,000
Issued, Subscribed and Paid-up	
10,000 Equity Shares of Rs. 10/- each fully paid-up.	1,00,000
Total	1,00,000

2.3 The Share Capital of the Transferee Company as at 31st March, 2022 is as under.

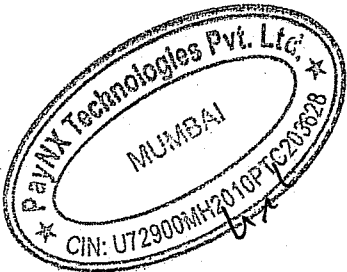
Particulars	Amount in (Rs.)
Authorised Capital	
3,50,00,000 Equity Shares of Rs.10/- each	35,00,00,000
Total	35,00,00,000
Issued, Subscribed and Paid-up	
1,19,70,000 Equity Shares of Rs.10/- each fully paid-up	11,97,00,000
Total	11,97,00,000



Event subsequent to the Valuation Date: We have been informed by the Management of VAL that the Authorized Share Capital of VAL has increased to 5,00,00,000 Shares of Rs.10 each amounting to ₹ 50,00,00,000/-.



Triple



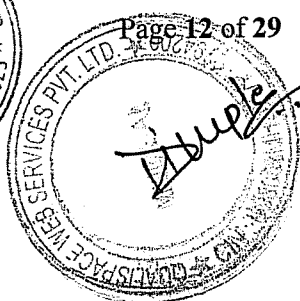
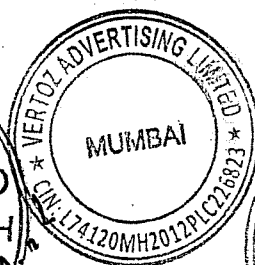
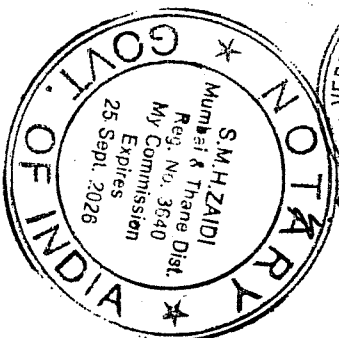
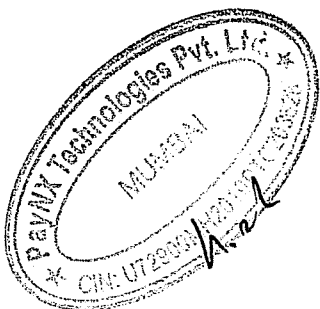
PART II – MERGER OF FIRST TRANSFEROR COMPANY AND SECOND TRANSFEROR COMPANY WITH THE TRANSFeree COMPANY

3. TRANSFER AND VESTING OF UNDERTAKINGS

3.1 Upon the coming into effect of this Scheme as on the Appointed Date (i.e. 1st April, 2022) and subject to the provisions of this Scheme, the entire business and whole of the Undertaking of the First Transferor Company and Second Transferor Company including the assets and liabilities, shall pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act, without any further act, instrument or deed, be and shall stand transferred to and vested in and/or deemed to have been transferred to and vested in the Transferee Company as a going concern subject, however, to all charges, liens, mortgages, if any, then affecting the same or any part thereof.

PROVIDED ALWAYS that the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the First Transferor Company and Second Transferor Company and which shall vest in the Transferee Company by virtue of the Amalgamation and the Transferee Company shall not be obliged to create any further or additional security after the Amalgamation has become effective or otherwise unless specifically provided hereinafter.

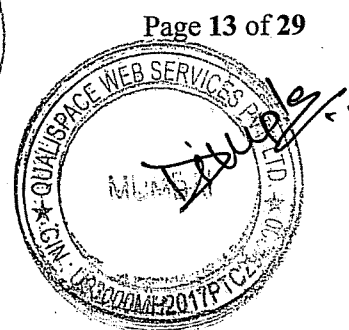
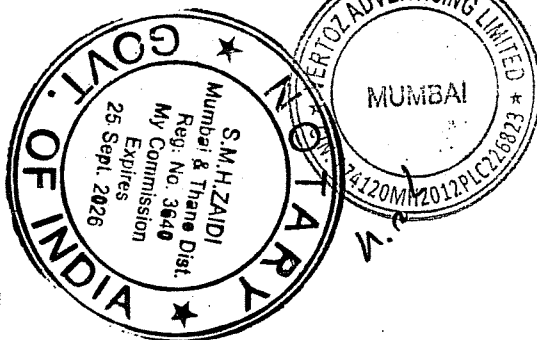
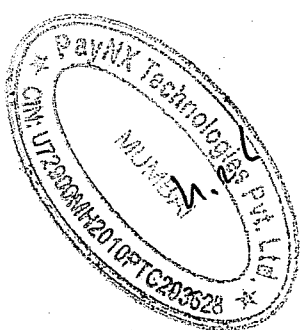
3.2 The entire business of the First Transferor Company and Second Transferor Company as going concerns and all the properties whether movable or immovable, real or personal, corporeal or incorporeal, present or contingent including but without being limited to all assets, authorized capital, fixed assets, capital work-in-progress, current assets and debtors, investments, rights, claims and powers, authorities, allotments, approvals and consents, reserves, provisions, permits, ownerships rights, lease, tenancy rights, occupancy rights, incentives, claims, rehabilitation schemes, funds, quota rights, import quotas, licenses, registrations, contracts, engagements, arrangements, brands, logos, patents, trade names, trademarks, copy rights, all other intellectual property rights, other intangibles of the First Transferor Company and Second Transferor Company whether registered or unregistered or any variation



thereof as a part of its name or in a style of business otherwise, other industrial rights and licenses in respect thereof, lease, tenancy rights, flats, telephones, telexes, facsimile connections, e-mail connections, internet connections, websites, installations and utilities, benefits of agreements and arrangements, powers, authorities, permits, allotments, approvals, permissions, sanctions, consents, privileges, liberties, easements, other assets, special status and other benefits that have accrued or which may accrue to the First Transferor Company and Second Transferor Company on and from the Appointed Date and prior to the Effective Date in connection with or in relation to the operation of the undertaking and all the rights, titles, interests, benefits, facilities and advantages of whatsoever nature and wherever situated belonging to or in the possession of or granted in favor of or enjoyed by the First Transferor Company and Second Transferor Company as on the Appointed Date and prior to the Effective Date shall, pursuant to the provisions of Section 230 to 232 of the Act, without any further act, instrument or deed, be and stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company.

3.3 With effect from the Appointed Date, all the Equity Shares, Debentures, Bonds, Notes or other Securities held by the First Transferor Company and Second Transferor Company, whether convertible into Equity or not and whether quoted or not shall, without any further act or deed, be and stand transferred to the Transferee Company as also all the Movable Assets including cash in hand, if any, of the First Transferor Company and Second Transferor Company shall be capable of passing by manual delivery or by endorsement and delivery, as the case may be, to the Transferee Company to the end and intent that the property therein passes to the Transferee Company on such manual delivery or by endorsement and delivery.

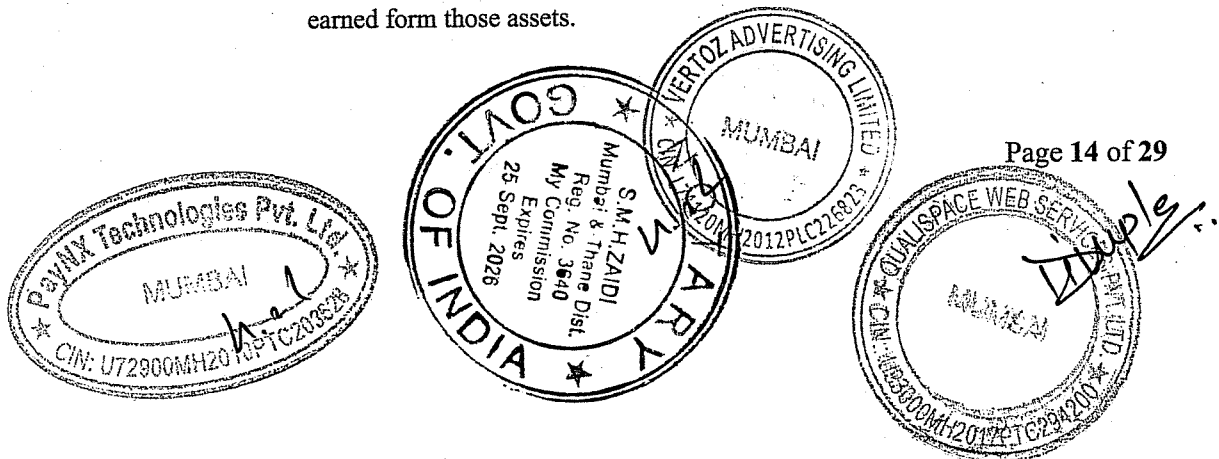
3.4 In respect of movable properties of the First Transferor Company and Second Transferor Company, including sundry debtors, outstanding loans and advances, if any recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi government, local and other authorities and bodies, the Transferee Company may, at any time after the



coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, 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, the said debts, loans, advances or deposits 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 First Transferor Company and Second Transferor Company to recover or realize all such debts, deposits and advances (including the debts payable by such persons, debtor or deposit to the First Transferor Company and Second Transferor Company) stands transferred and assigned to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.

3.5 With effect from the Appointed Date, all the debts, unsecured debts, liabilities, duties and obligations of every kind, nature and description of the First Transferor Company and Second Transferor Company shall also under the applicable provisions of the Act, without any further act or deed be transferred to or be deemed to be transferred to the Transferee Company so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the First Transferor Company and Second Transferor Company and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to the 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 clause.

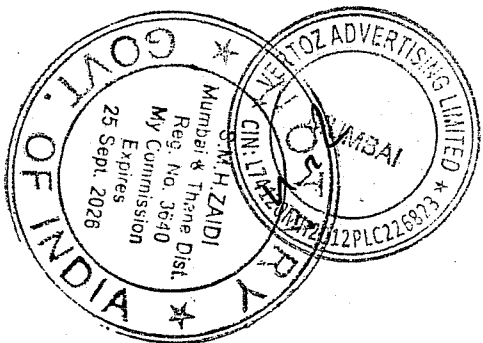
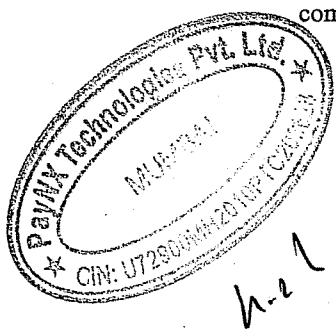
3.6 It is clarified that all debts, loans and liabilities, duties and obligations of the First Transferor Company and Second Transferor Company as on the Appointed Date and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or upto the day of the Appointed Date shall be the debts, loans and liabilities, duties and obligations of the Transferee Company including any encumbrance on the assets of the First Transferor Company and Second Transferor Company or on any income earned from those assets.



3.7 It is further specifically clarified, admitted, assured and declared by the Transferee Company that on this Scheme becoming effective, it will take over, absorb and pay and discharge on due dates all the liabilities including all taxes (including but not limited to advance tax, self-assessment tax, regular tax, securities transaction tax, deferred tax assets/liabilities, foreign tax credit, tax deducted at source, tax collected at source, accumulated losses under Income-tax Act, allowance for unabsorbed depreciation under Income-tax Act, carried forward allowance u/s. 35(4) of Income-tax Act, value added tax, sales tax, service tax, customs duty, CGST, IGST, SGST, etc.) including any interest, penalty, surcharge and cess, if any, paid / payable by or refunded / refundable to the First Transferor Company and Second Transferor Company including all or any refunds or claims shall be treated as the tax paid / payable by the Transferee Company.

3.8 With effect from the Appointed Date all debts, liabilities, dues, duties and obligations including all income tax, wealth tax, central sales tax, value added tax, service tax, excise duty, custom duty, goods and service tax, fringe benefit tax, dividend distribution tax and other Government and semi-Government and statutory liabilities of the First Transferor Company and Second Transferor Company shall pursuant to the applicable provisions of the Act and without any further act or deed be also transferred or be deemed to be transferred to and vest in and be assumed by the Transferee Company so as to become as from the Appointed Date the debts, liabilities, duties and obligations of Transferee Company on the same terms and conditions as were applicable to the First Transferor Company and Second Transferor Company.

3.9 This Scheme has been drawn up to comply and come within the definition and the conditions relating to 'Amalgamation' as specified under Section 2(1B) and Section 47 of the Income Tax Act, 1961. If any terms or provisions of the Scheme is/are found or interpreted to be inconsistent with the provisions of said Sections of the Income Tax Act, 1961, at a later date, including resulting from an amendment of any applicable law or for any reason whatsoever, the Scheme shall stand modified/amended to the extent determined necessary to comply and come within the definition and conditions relating to



“Amalgamation” as specified in the Income Tax Act, 1961. In such an event, the Clauses which are inconsistent shall be read down or if the need arises be deemed to be deleted and such modification/reading down or deemed deletion shall however not affect the other parts of the Scheme.

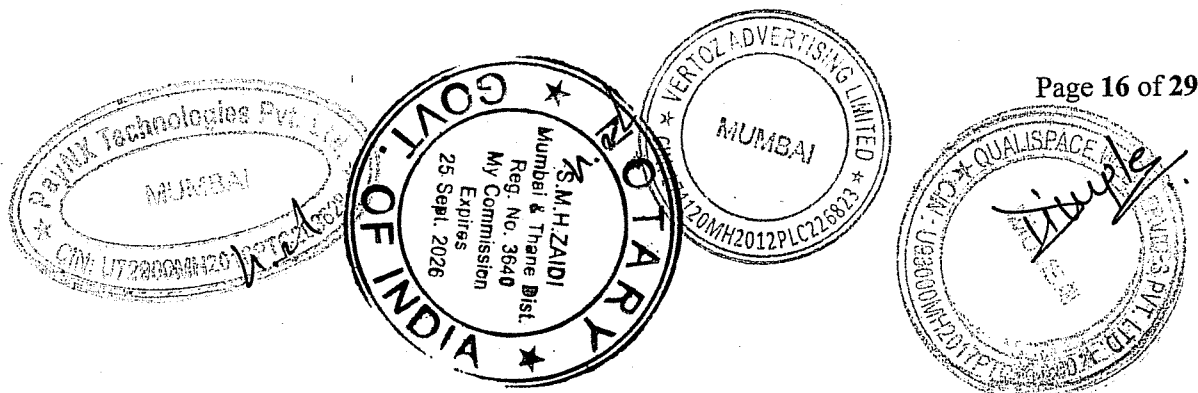
4. CONTRACTS, BONDS AND OTHER INSTRUMENTS

4.1 Subject to other provisions contained in the Scheme, all contracts, bonds, debentures, indentures and other instruments to which the First Transferor Company and Second Transferor Company are parties subsisting or having effect immediately before the Effective Date shall remain in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and as effectually as if, instead of the First Transferor Company and Second Transferor Company, the Transferee Company had been a party thereto.

4.2 Without prejudice to the generality of the foregoing, upon the coming into effect of this Scheme and with effect from the Appointed Date, all consents, permissions, licences, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.

5. LEGAL PROCEEDINGS

5.1 If any suit, writ petition, appeal, revision or other proceedings (hereinafter called “the Proceedings”) by or against the First Transferor Company and Second Transferor Company is 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 First Transferor Company and Second Transferor Company or of anything contained in the Scheme, but all such 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 be or might have been continued, prosecuted and enforced by or against the First Transferor Company and Second Transferor Company as if the Scheme had not been made.

5.2 In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against the First Transferor Company and Second Transferor Company, Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of Transferee Company.

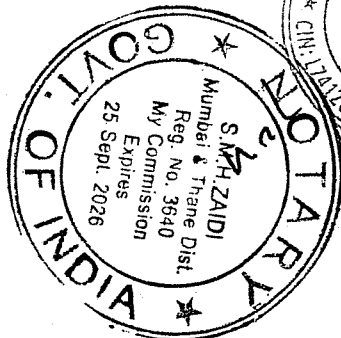
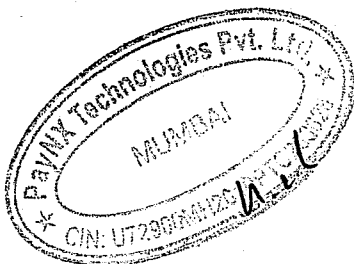
6. OPERATIVE DATE OF THE SCHEME

The Scheme set out herein in its present form with or without any modifications(s) approved or imposed or directed by the National Company Law Tribunal or made as per Clause 16 of the Scheme, shall be effective from the Appointed Date but shall become operative from the Effective Date.

7. TRANSFEROR COMPANY'S STAFF, WORKMEN AND EMPLOYEES

All the staff, workmen and other employees in the service of the First Transferor Company and Second Transferor Company immediately preceding the Effective Date shall become the staff, workmen and employees of the Transferee Company on the basis that:

- 7.1 Their respective services shall have been continuous and shall not have been interrupted by reason of the transfer of the Undertakings of the First Transferor Company and Second Transferor Company;
- 7.2 The terms and conditions of service applicable to the said staff, workmen or employees after such transfer shall not in any way be less favorable to them than those applicable to them immediately before the transfer; and



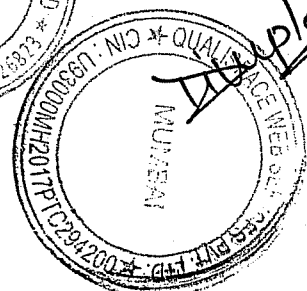
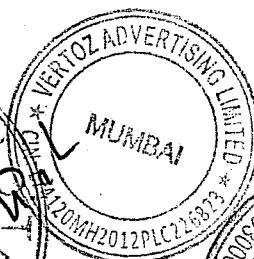
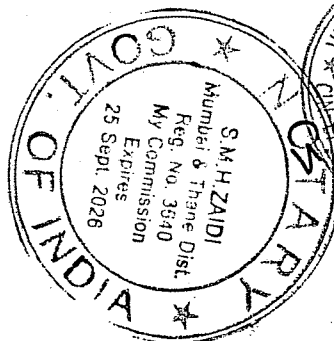
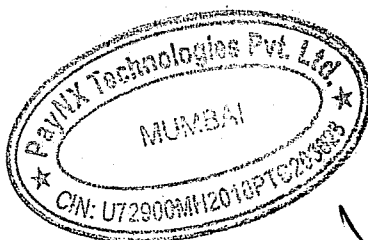
Examples

7.3 It is provided that as far as Provident Fund, Gratuity Fund, Superannuation Fund or other special fund, if any, created or existing for the benefit of the staff, workmen and other employees of the First Transferor Company and Second Transferor Company are concerned, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the First Transferor Company and Second Transferor Company for all purposes whatsoever related to the administration or operation of such funds or in relation to the obligation to make contributions to the said Funds in accordance with the provisions of such Funds as per the terms provided in the respective trust deeds. It is the aim and intent of the Scheme herein that all the rights, duties, powers and obligations of the First Transferor Company and Second Transferor Company in relation to such funds shall become those of the Transferee Company and all the rights, duties and benefits of the employees employed in different units of the First Transferor Company and Second Transferor Company under such Funds and Trusts shall remain fully protected.

8. CONDUCT OF BUSINESS BY FIRST TRANSFEROR COMPANY AND SECOND TRANSFEROR COMPANY TILL EFFECTIVE DATE

With effect from the Appointed Date and upto the Effective Date, the First Transferor Company and Second Transferor Company:

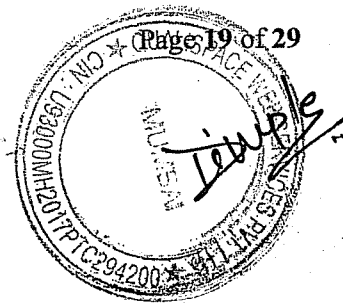
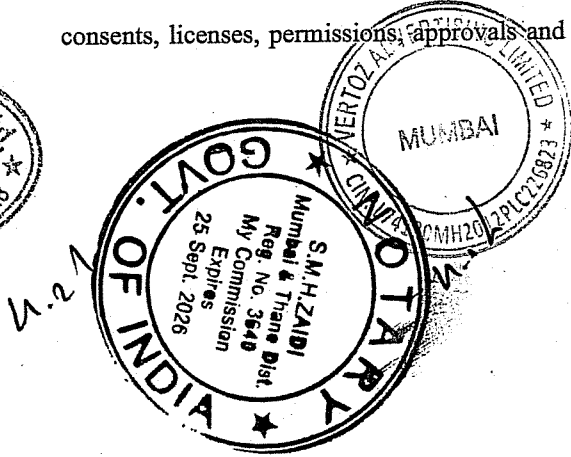
- 8.1 Shall carry on and shall be deemed to be carrying on all their respective business activities and shall stand possessed of their respective properties and assets for and on account of and in trust for the Transferee Company and all the profits or income accruing or arising to the First Transferor Company and Second Transferor Company and/or any cost, charges, expenditure or losses arising or incurred by them shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or cost, charges, expenditure or losses of the Transferee Company;
- 8.2 Shall in the ordinary course of their respective business activities, assign, transfer or sell or exchange or dispose off or deal with all or any part of the rights vested with or title and interest in the property, assets, immovable or movable properties including assignment, alienation, charge, mortgage,



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encumbrance or otherwise deal with the rights, title and interest in the actionable claims, debtors and other assets etc., with the consent of the Transferee Company and such acts or actions would be deemed to have been carried on by the First Transferor Company and Second Transferor Company for and on behalf of the Transferee Company and such acts or actions would be enforceable against or in favour of the Transferee Company and all the profits or incomes or losses or expenditure accruing or arising or incurred by the First Transferor Company and Second Transferor Company shall, for all purposes, be treated as the profits or incomes or expenditure or losses of the Transferee Company;

- 8.3 Hereby undertake to carry on their respective businesses until the Effective Date with reasonable diligence, utmost prudence and shall not, without the written consent of the Transferee Company, alienate, charge or otherwise deal with the said Undertakings or any part thereof except in the ordinary course of the First Transferor Company and Second Transferor Company's business;
- 8.4 Shall not, without the written consent of the Transferee Company, undertake any new business.
- 8.5 Shall not vary the terms and conditions of the employment of their employees except in the ordinary course of business.
- 8.6 Pay all statutory dues relating to their respective Undertakings for and on account of the Transferee Company.
- 8.7 The First Transferor Company and Second Transferor Company shall not make any change in its capital structure (paid up capital) other than changes pursuant to commitments, obligations or arrangements subsisting prior to the Appointed Date either by any increase, (by a fresh issue of right shares, convertible debentures or otherwise) or by any decrease, reduction, reclassification, sub division or consolidation, reorganization or in any other manner which may in any manner affect the Share Exchange Ratio prescribed in Clause 9.1 except by mutual consent of the Board of Directors of the First Transferor Company and Second Transferor Company and Transferee Company.
- 8.8 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and other related agencies, departments and other authorities concerned as are necessary under any law for such consents, licenses, permissions, approvals and sanctions which the Transferee



Company may require to own and operate the businesses of the First Transferor Company and Second Transferor Company.

9. ISSUE OF SHARES BY THE TRANSFEREE COMPANY

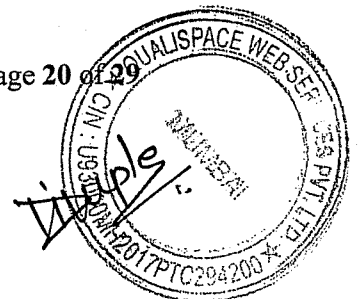
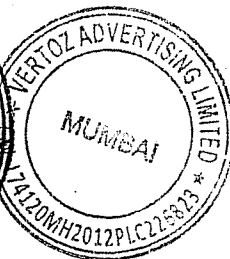
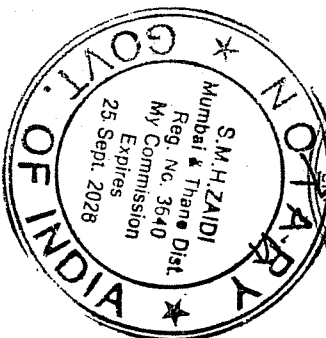
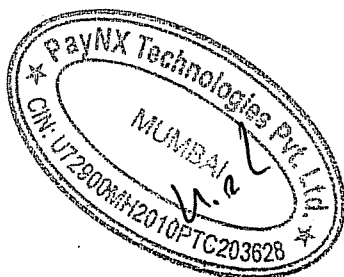
9.1 Upon the Scheme becoming finally effective, in consideration of the transfer and vesting of the Undertaking of the First Transferor Company and Second Transferor Company in the Transferee Company in terms of the Scheme, the Transferee Company shall subject to the provisions of the Scheme and without any further application or deed, issue and allot the following number of Equity Shares of Rs. 10/- (Rupees Ten) each, credited as fully paid-up in the Capital of the Transferee Company to all Equity Shareholders of the First Transferor Company and Second Transferor Company whose names appear in the Register of Members, on a record date to be fixed by the Board of the Transferee Company in the following proportion viz.:

“1904 (One Thousand Nine Hundred and Four only) Ordinary (Equity) Shares of the face value of Rs.10 each of VAL shall be issued and allotted as fully paid up for every 1 (One) Equity Share of the face value of Rs.10 each fully paid up held in PAYNX” (“Share Exchange Ratio”)

“502 (Five Hundred and Two only) Ordinary (Equity) Shares of the face value of Rs.10 each of VAL shall be issued and allotted as fully paid up for every 1 (One) Equity Share of the face value of Rs.10 each fully paid up held in QWSPL” (“Share Exchange Ratio”)

9.2 If necessary, the Transferee Company shall, before allotment as aforesaid of the Equity Shares in terms of the Scheme, increase its Authorized Capital by the creation of at least such number of Equity Shares of Rs. 10/- each as may be necessary to satisfy its obligations under the Scheme.

9.3 Pursuant to Issuance and allotment of the Amalgamation consideration shares, in case any equity shareholders of the transferor Companies becomes entitled to a fraction of an equity share of the transferee Company, the transferee Company shall not issue fractional shares to such member but shall consolidate such fractions and issue consolidated shares to a trustee nominated by the transferee company in that behalf, who shall sell such shares and

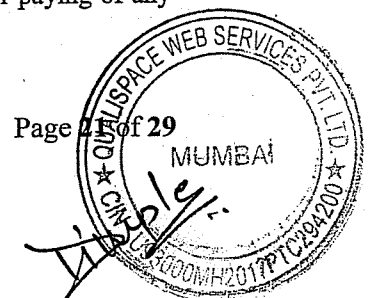
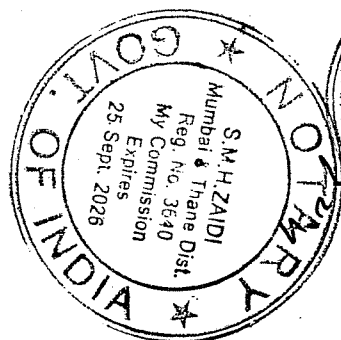
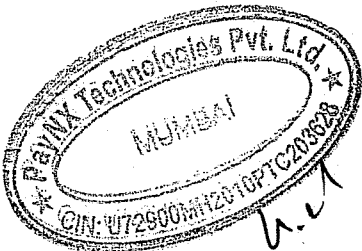


distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the shareholders respectively entitled to the same in proportion to their fractional entitlements.

- 9.4 The said new Equity Shares of the Transferee Company to be allotted to the Shareholders of the First Transferor Company and Second Transferor Company shall be fully paid up Shares and shall rank for dividend, voting rights and in all other respects pari passu with the existing Equity Shares in the Transferee Company except that they shall not be eligible for any dividend paid or declared by the Transferee Company prior to the Effective Date.
- 9.5 Upon such issue and allotment of Shares, the Shareholders of the First Transferor Company and Second Transferor Company shall surrender the Share Certificates of the First Transferor Company and Second Transferor Company held by them to the Transferee Company for exchange thereof. In the default, i.e. Non-compliance with the requirement of aforesaid surrender of the Share Certificates and upon allotment of the new Shares in the Transferee Company, the Share Certificates in relation to the Shares held by the Shareholders in the First Transferor Company and Second Transferor Company shall be deemed to have been cancelled.
- 9.6 The Transferee Company shall apply for listing of its Equity Shares issued in terms of Clause 9.1 above with the respective Stock Exchanges in terms of and in compliance of the SEBI Circular. The Equity Shares issued by the Transferee Company in terms of Clause 9.1 above, pursuant to the Scheme, shall remain frozen in the depository system till listing/ trading permission is given by the Stock Exchanges.
- 9.7 The issue and allotment of Equity Shares in the Transferee Company to the members of the First Transferor Company and Second Transferor Company as provided in the Scheme shall be deemed to have been carried out under the provisions of the Act and in accordance with law.

10. PROFITS, DIVIDENDS, BONUS/ RIGHTS SHARES

- 10.1 With effect from the Appointed Date, the First Transferor Company and Second Transferor Company shall not without the prior written consent of the Transferee Company, utilize the profits, if any, for declaring or paying of any



dividend to its Shareholders and shall also not utilize, adjust or claim adjustment of profits/reserves as the case may be earned/ incurred or suffered after the Appointed Date.

10.2 The First Transferor Company and Second Transferor Company shall not after the Appointed Date, issue or allot any further Securities, by way of rights or bonus or otherwise without the prior written consent of the Board of Directors of the Transferee Company.

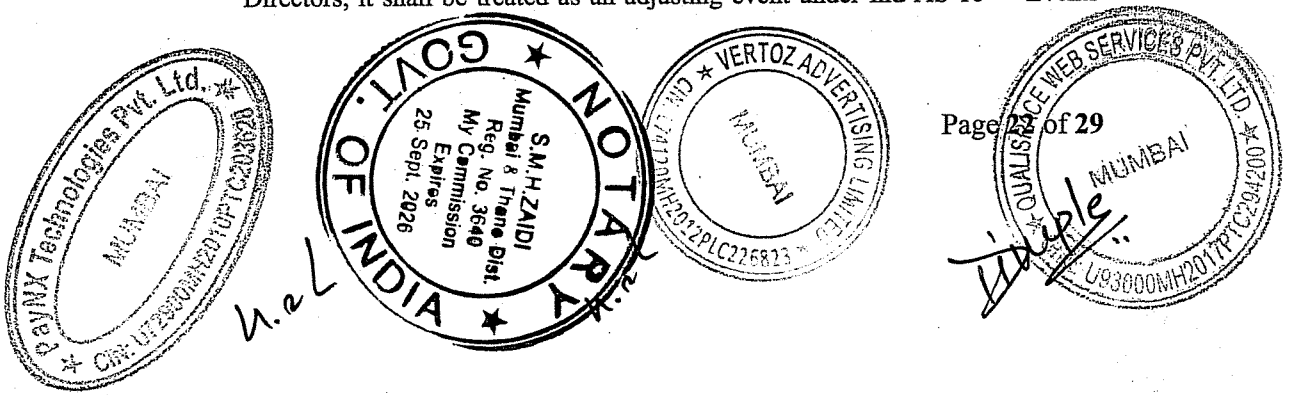
11.ACCOUNTING TREATMENT

11.1 Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Transferee Company shall give effect to the accounting treatment in the books of accounts in accordance with the Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, or any other relevant or related requirement under the Act, as applicable on the Appointed Date.

11.2 Accordingly, the First Transferor Company, Second Transferor Company and Transferee Company, being entities under common control, the accounting would be done at First Transferor Company and Second Transferor Company's carrying amounts as on the Appointed Date for all the assets and liabilities acquired by the Transferee Company of the First Transferor Company and Second Transferor Company by applying the principles as set out in Appendix C of IND AS 103 'Business Combinations' and inter-company balances and inter-company investments, if any, between Transferor Company and Transferee Company shall stand cancelled.

11.3 Additionally, the Transferee Company shall pass such accounting entries which are necessary in connection with the Scheme to comply with the other applicable Accounting Standards such as Ind AS 8, Ind AS 10, Ind AS 102, etc.

11.4 In respect of accounting for subsequent events, the Transferee Company shall solely follow the requirements of Ind AS 10 - 'Events after the Reporting Period' in order to give effect to the scheme. Accordingly, if the approval of NCLT for the Scheme of Merger is received after the balance sheet date but before the approval of the Financial Statements for issue by the Board of Directors, it shall be treated as an adjusting event under Ind AS 10 - 'Events

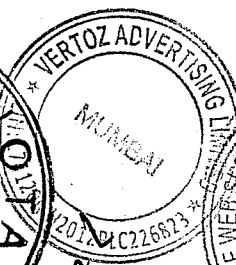
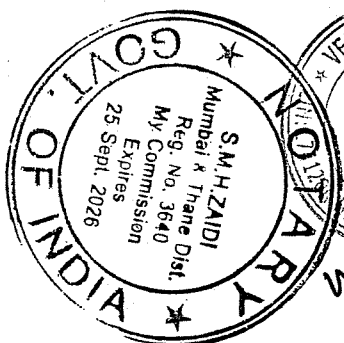
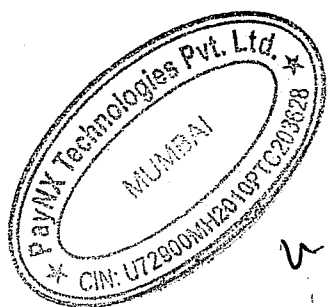


after the Reporting Period' and shall be given effect to in the Financial Statements with effect from the Appointed Date.

- 11.5 Loans and advances and other dues outstanding between Transferee Company and First Transferor Company and Second Transferor Company will stand cancelled and there shall be no further obligation/outstanding in that behalf. Any cancellation of Shares shall not be deemed to be Reduction of Capital for the purposes of the Act and there for no separate compliances would be necessary.
- 11.6 In case of any difference in Accounting Policy between the First Transferor Company, Second Transferor Company and the Transferee Company, the impact of the same till the Amalgamation will be quantified and adjusted with the corresponding balance appearing in the Financial Statement of the Transferee Company, thereby reflecting the financial position on the basis of consistency in the Accounting Policy.
- 11.7 Notwithstanding the above, the Board of Directors of the Transferee Company in consultation with its Auditors, is authorized to account any of these balances in any manner whatsoever as may be deemed fit.

12.COMBINATION OF AUTHORISED CAPITAL

12.1 Upon sanction of this Scheme, the Authorised Share Capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including therein the payment of stamp duty and fees payable to Registrar of Companies, by the Authorised Share Capital of the First Transferor Company and Second Transferor Company aggregating to Rs. 7,00,000 (Rupees Seven Lakhs Only) comprising of 70,000 (Seventy Thousand) Equity Shares of Rs.10/- each which would be further re-classified into 70,000 (Seventy Thousand) Equity Shares of Rs. 10/- each and the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, pursuant to Sections 13, 14, 62 and 230 to 232 and applicable provisions of the Act, 2013, as the case may be and for this purpose the Stamp Duties and the fees paid on the Authorised Capital of the First Transferor



Company and Second Transferor Company shall be utilized and applied to the above referred increased Authorised Share Capital of the Transferee Company and no payment of any extra Stamp Duty and/or fee shall be payable by the Transferee Company for increase in its Authorised Share Capital to that extent.

- 12.2 Consequent upon the Amalgamation, the Authorised Share Capital of the Transferee Company will be as under:

Authorized Share Capital	Amount in Rs.
3,50,70,000 Equity Shares of Rs. 10/- each	35,07,00,000
Total	35,07,00,000

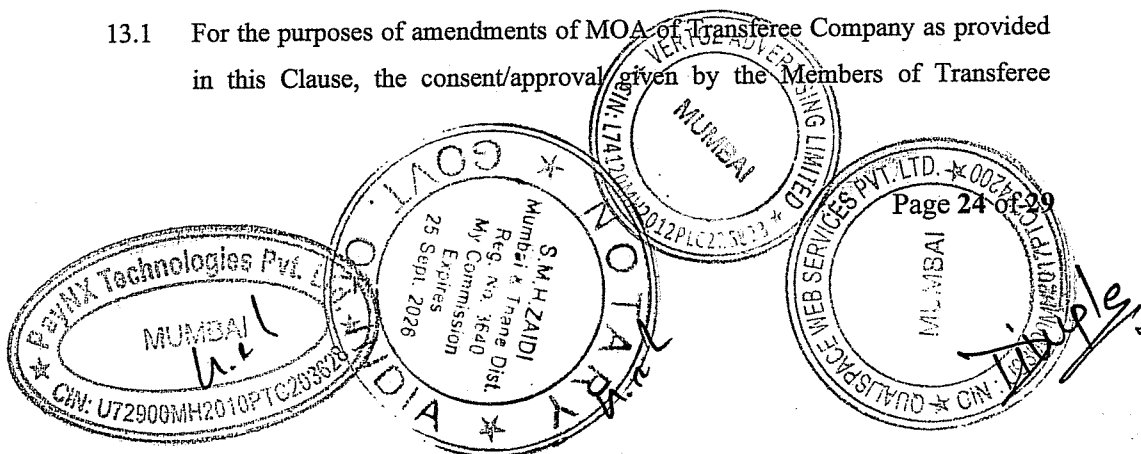
Event subsequent to the Valuation Date: We have been informed by the Management of VAL that the Authorized Share Capital of VAL has increased to 5,00,00,000 Shares of Rs. 10 each. So, the subsequently the Authorized Share Capital of the Transferee Company will be 50,07,00,000/-

It is clarified that the approval of the Members of the Transferee Company to the Scheme shall be deemed to be their consent / approval also to the alteration of the Memorandum and Articles of Association of the Transferee Company as may be required under the Act.

- 12.3 Clause V of the Memorandum of Association of the Transferee Company relating to the Authorized Share Capital shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13, 14, 62 and provisions of Section 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act, as the case may be and be amended accordingly.
- 12.4 Upon coming into effect of this Scheme, the Transferee Company shall file necessary application of the revised Authorized Share Capital along with the prescribed fees due on the revised Authorized Share Capital with the Registrar of Companies, in accordance with law.

13.CHANGE IN OBJECTS CLAUSE OF TRANSFEREE COMPANY

- 13.1 For the purposes of amendments of MOA of Transferee Company as provided in this Clause, the consent/approval given by the Members of Transferee

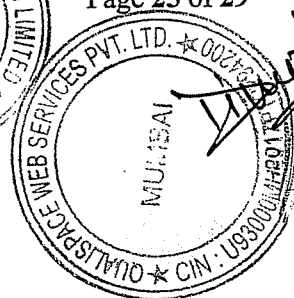
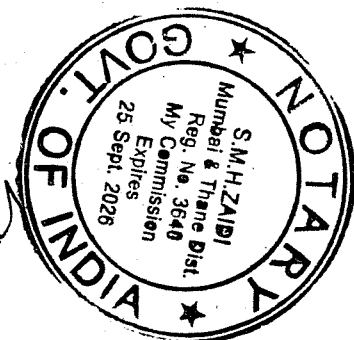
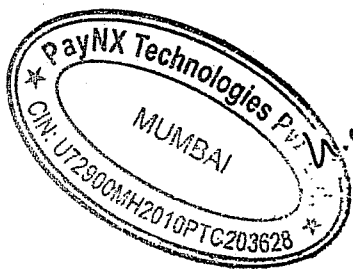


Company pursuant to Section 232 of the Act and any other applicable provisions of the Act shall be deemed to be sufficient and no further resolutions of the Members of the Transferee Company as required under the provisions of Sections 13 and 14 of the Act and other applicable provisions of the Act shall be required to be passed for making such change/amendments in the MOA of the Transferee Company and filing of certified copy of the Scheme as sanctioned by the Tribunal, in terms of Section 230 to 232 of the Act, and any other applicable provisions of the Act, together with the Order of the Tribunal, and a printed copy of the MOA for the purposes of Sections 13 and 14 of the Act and all other applicable provisions of the Act and the concerned Registrar of Companies (ROC) shall register the same and make the necessary alterations in the MOA of the Transferee Company and shall certify the registration thereof in accordance with the provisions of Sections 13 and 14 of the Act and all other applicable provisions of the Act.

13.2 Under the accepted principle of Single Window Clearance, it is hereby provided that the above referred amendment in the Memorandum and Articles of Association of the Transferee Company, viz. Change in the Capital Clause as mentioned in Clause 12 above and Change in Object Clause shall become operative on the Scheme being effective by virtue of the fact that the Shareholders of the Transferee Company, while approving the scheme as a whole, have also resolved and accorded the relevant consents as required respectively under Sections 13,14, 62 and 64 of the Act and any other provisions of the Act and shall not be required to pass separate resolutions as required under the Act, nor any additional fees (including fees and charges to the relevant Registrar of Companies) or Stamp Duty, shall be payable by the Transferee Company.

14. DISSOLUTION OF THE TRANSFEROR COMPANY

On the Scheme becoming effective, the First Transferor Company and Second Transferor Company shall stand dissolved without winding-up without any further act or deed.



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**PART III – GENERAL CLAUSES, TERMS AND CONDITIONS APPLICABLE TO
THE SCHEME.**

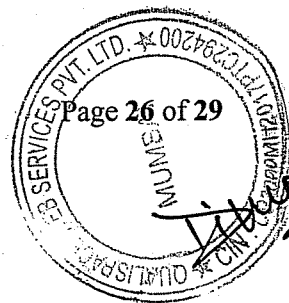
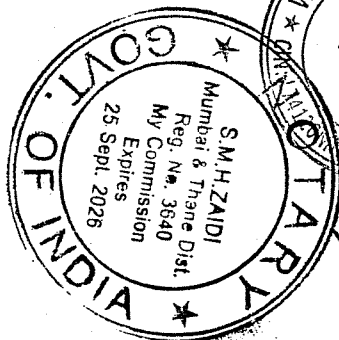
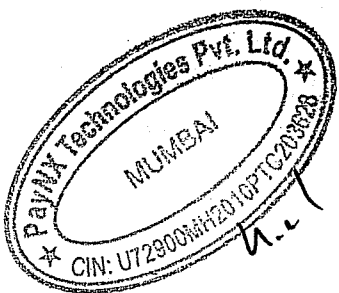
15. APPLICATIONS TO THE TRIBUNAL

The First Transferor Company, Second Transferor Company and the Transferee Company herein shall, with all reasonable dispatch, make applications under the applicable provisions of the Act to the National Company Law Tribunal (Tribunal) for sanctioning the Scheme and for dissolution of the First Transferor Company and Second Transferor Company without being wound up, and apply for and obtain such other approvals, if any, required under the law.

16. MODIFICATIONS/AMENDMENTS TO THE SCHEME

16.1 The First Transferor Company and Second Transferor Company (by its Directors) and the Transferee Company (by its Directors) may assent to any modifications or amendments to the Scheme or agree to any terms and/or conditions which the Tribunal and/or any other authorities under law may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting the Scheme into effect. All amendments/modification to the Scheme shall be subject to the approval of Tribunal.

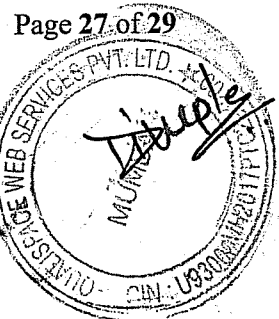
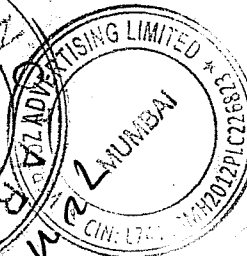
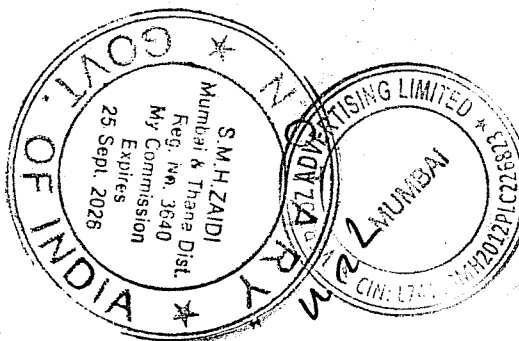
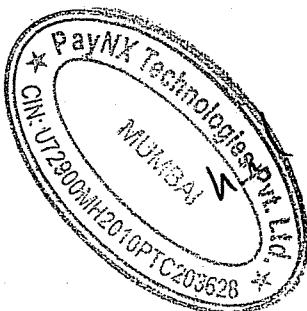
16.2 For the purpose of giving effect to the Scheme or to any modification thereof, the Directors of the Transferee Company are hereby authorised to give such directions and/or to be take such steps as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise.



17. SCHEME CONDITIONAL ON APPROVALS/ SANCTIONS

The effectiveness of the Scheme is conditional upon and subject to:

- 17.1 The requisite sanction or approval from Securities and Exchange Board of India, NSE, Registrar of Companies, Regional Director, Official Liquidator as may be applicable or as may be directed by the Tribunal.
- 17.2 The Scheme is conditional upon Scheme being approved by the Public Shareholders through E-voting in terms of Para (A)(10)(b) of Part-I of SEBI Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 and the Scheme shall be acted upon only if vote cast by the Public Shareholders in favour of the proposal are more than the number of votes cast by the Public Shareholders against it".
- 17.3 The approval to the Scheme by the requisite majorities of the Creditors of the First Transferor Company and Second Transferor Company and of the Shareholders of the Transferee Company.
- 17.4 The requisite Resolution(s) under the applicable provisions of the said Act being passed by the Shareholders of the Transferee Company for any of the matters provided for or relating to the Scheme, as may be necessary or desirable, including approval to the issue and allotment of Equity Shares in the Transferee Company to the members of the First Transferor Company and Second Transferor Company.
- 17.5 The sanction of the National Company Law Tribunal (Tribunal) under the applicable provisions of the Act, in favour of the First Transferor Company and Second Transferor Company and the Transferee Company and to the necessary Order or Orders under the said Act being obtained.
- 17.6 On the approval of this Scheme by the Members and Shareholders of the First Transferor Company, Second Transferor Company and the Transferee Company, if required, such Shareholders shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the merger set out in this Scheme, related matters and this Scheme itself.
- 17.7 Any other sanction or approval of the appropriate Authorities concerned, as may be considered necessary and appropriate by the respective Board of Directors of the First Transferor Company and Second Transferor Company



and the Transferee Company being obtained and granted in respect of any of the matters for which such sanction or approval is required.

- 17.8 The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.

18. EFFECT OF NON-RECEIPT OF APPROVALS/ SANCTIONS

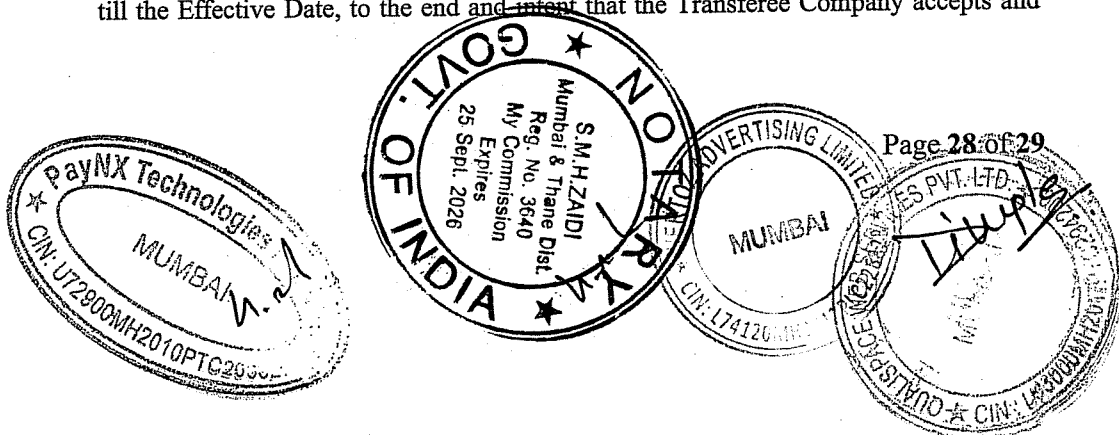
In the event of any approvals or conditions enumerated in the Scheme not being obtained or complied with, or for any other reason, the Scheme cannot be implemented, the Boards of Directors of the Transferee Company and the First Transferor Company and Second Transferor Company shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, or in case the Scheme not being sanctioned by the Tribunal, the Scheme shall become null and void and each Party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

19. EXPENSES CONNECTED WITH THE SCHEME

All costs, charges, taxes including duties, levies and all other expenses of the First Transferor Company, Second Transferor Company and the Transferee Company respectively in relation to or in connection with the Scheme and of carrying out and implementing/completing the terms and provisions of the Scheme and/or incidental to the completion of Amalgamation of the said Undertakings of the First Transferor Company and Second Transferor Company in pursuance of the Scheme shall be borne and paid solely by the Transferee Company.

20. SAVING OF CONCLUDED TRANSACTIONS

The transfer of undertaking under Clause 3 above and the continuance of Proceedings by or against the First Transferor Company and Second Transferor Company above shall not affect any transaction or Proceedings already concluded by the First Transferor Company and Second Transferor Company on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and



adopts all acts, deeds and things done and executed by the First Transferor Company and Second Transferor Company in respect thereto as done and executed on behalf of itself.

21. MISCELLENOUS PROVISIONS

- 21.1 The Scheme, although operative from the Appointed Date, shall take effect from the effective date i.e. the date of filing of the certified copy of the Order (s) received from the Hon'ble Tribunal, Mumbai Bench with the Registrar of Companies, Maharashtra upon sanction of the Scheme by the Hon'ble Tribunal, Mumbai Bench.
- 21.2 Till the event of this Scheme being effective, First Transferor Company, Second Transferor Company and Transferee Company, shall continue to hold their Annual General Meeting and other Meetings in accordance with the relevant laws and shall continue to comply with all their statutory obligations in the same manner, as if this Scheme does not exist.

