



NUCLEUS SOFTWARE EXPORTS LTD.

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Date: 01.03.2019

To,

<p>The Listing Department</p> <p>The National Stock Exchange of India Ltd.</p> <p>Exchange Plaza, Bandra-Kurla Complex</p> <p>Bandra (E)</p> <p>Mumbai-400051.</p> <p>Fax Nos. 022-26598236/237/238</p>	<p>The Listing Department</p> <p>Bombay Stock Exchange Limited</p> <p>Phiroze Jeejeebhoy Towers,</p> <p>25th Floor, Dalal Street</p> <p>Mumbai-400001</p> <p>Fax No. 022-22722061/41/39</p>
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Sub: Intimation under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sirs,

The Board of Directors of the Company, at its meeting held on 1st March 2019 considered and approved a scheme of amalgamation ("**Scheme**") pursuant to sections 230 to 232 and other relevant provisions of the Companies Act, 2013, providing for the merger of its wholly owned subsidiaries, Virstra I-Technology Services Limited ("**Transferor Company-1**") and Avon Mobility Solutions Private Limited ("**Transferor Company-2**") (hereinafter together referred to as "**Transferor Companies**"), into and with Nucleus Software Exports Limited ("**Transferee Company**").

Furthermore, it is also to be noted that the proposed Scheme at Paragraph 9 therein provides for the amendment of the Capital and Object Clauses of the Memorandum of Association of Transferee Company consequent to the merger and amalgamation of the Transferor Companies into and with the Transferee Company, with effect from the Appointed Date and upon the Scheme becoming effective.

The Scheme is subject to necessary statutory and regulatory approvals under applicable laws, including approval of the National Company Law Tribunal, Principal Bench, New Delhi.

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with (i) Circular No. CIR/CFD/CMD/4/2015 dated 09th September 2015; and (ii) Circular No. CFD/DIL3/CIR/2017/21 dated 10th March 2017, please find enclosed the disclosure and a copy of the Draft Scheme, for your records.

Thank You.

Yours Sincerely,

For **Nucleus Software Exports Limited**

(POONAM BHASIN)
COMPANY SECRETARY

Encl:

1. Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
2. Copy of the Scheme of Amalgamation as approved by the Board of Directors of the Company.

DRAFT

SCHEME OF AMALGAMATION

AMONGST

VIRSTRA I-TECHNOLOGY SERVICES LIMITED

(TRANSFEROR COMPANY-1)

AND

AVON MOBILITY SOLUTIONS PRIVATE LIMITED

(TRANSFEROR COMPANY-2)

AND

NUCLEUS SOFTWARE EXPORTS LIMITED

(TRANSFeree COMPANY)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

**(UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE
COMPANIES ACT, 2013)**

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PREAMBLE

A. Overview of the Scheme of Amalgamation

- i. This Scheme of Amalgamation (hereinafter referred to as the “**Scheme**”) provides for the merger and amalgamation of Virstra I-Technology Services Limited (“**Transferor Company-1**”) and Avon Mobility Solutions Private Limited (“**Transferor Company-2**”) (Transferor Company-1 and Transferor Company-2 shall collectively be referred to as “**Transferor Companies**”) into and with Nucleus Software Exports Limited (“**Transferee Company**”), pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act read with Rule 18 and other applicable provisions of the Rules and Section 2(1B) of the Income Tax Act as applicable for the amalgamation.
- ii. The Transferor Companies and the Transferee Company are companies within the same group and the Transferor Companies are the wholly owned subsidiaries of the Transferee Company since the Transferee Company along with its nominees holds the entire share capital of each of the Transferor Companies. The Transferee Company shall not issue any shares under the Scheme. The existing shareholding of the Transferee Company in each of the Transferor Companies shall get cancelled and extinguished, pursuant to this Scheme.
- iii. Additionally, this Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

B. Description of Companies

- i. Virstra I-Technology Services Limited or Transferor Company-1 is an unlisted public limited company bearing CIN - U72200DL2004PLC126213 and incorporated on 06th May 2004 under the provisions of the Companies Act, 1956. Currently, its registered office is situated at 33-35 Thyagraj Nagar Market, New Delhi – 110003 The Transferor Company-1 is a wholly owned subsidiary of the Transferee Company. The Permanent Account Number of Transferor Company-1 is AABCV8600M.

The main objects of Transferor Company-1 as provided in Clause III (A) of its Memorandum of Association are as under:

1. *“To provide software services, consultancy, data processing, business process management in the field of software maintenance, application, design, development, internet application, integration and other software services.*
2. *To design, develop, maintain, programme, buy, import, export, purchase, license, Market, implement, rent, hire, acquire, sub-contract and deal in all kind of computer software development, software related system and hardware of computer software development, software related system and hardware of software systems, communication system, programmed products, provide consultancy, data processing services, system study, software documentation and related components and complete software or computer based solutions*
3. *To carry on the business of analyzing, maintaining, compiling, coding, converting, programming and advising on all matter related to purchase, design, development and implementation of all kind of computer hardware and software system, communication systems, electronic systems, management information systems, data-processing system and data communication systems and in this regard conduct surveys, compile, feed, process, covert any test any kind of data for both analog and digital including CAD/CAM, make reports, specifications, estimates, studies and feasibility reports and provide services including digitization services for any individual, company, industry or other authority .*
4. *To provide consultancy services to all industries in the area of information technology.*
5. *To provide training to professionals in information technology.”*

ii. Avon Mobility Solutions Private Limited or Transferor Company-2 is a private limited company bearing CIN - U72900DL2007PTC341409 and incorporated on 15th May 2007 under the provisions

of the Companies Act, 1956. Currently its registered office is situated at 33-35 Thyagraj Nagar Market, New Delhi – 110003. The registered office of Transferor Company-2 was previously located at No. 7, M V Naidu Street, Ground and First Floor, Chetpet, Chennai – 600031 which was shifted to 33-35 Thyagraj Nagar Market, New Delhi – 110003 vide order dated 28th September 2018 passed by the Regional Director, Registrar of Companies ('RoC'), Chennai. The Transferor Company-2 is a wholly owned subsidiary of the Transferee Company. The Permanent Account Number of Transferor Company-2 is AAGCA5271N.

The main objects of Transferor Company-2 as provided in Clause III (A) of its Memorandum of Association are as under:

1. *"To establish, develop, maintain, and improve, up-grade of software for Wireless Mobile Technologies and Applications.*
2. *To carry on the business of trading, distribution, import and export of software, software products and hardware equipments for Wireless Mobile Technologies and other Applications.*
3. *To provide consultancy for software development, system development, networking, E-commerce and associated logistics for Wireless Technologies and other Applications".*

iii. Nucleus Software Exports Limited or Transferee Company is a listed public company bearing CIN - L74899DL1989PLC034594 and incorporated on 09th January 1989 under the provisions of the Companies Act, 1956. The shares of the Transferee Company are listed on the Bombay Stock Exchange and National Stock Exchange. The Transferee Company was previously incorporated as a private limited company under the name of 'Nucleus Software Exports Private Limited' as per the provisions of Companies Act, 1956, however with the effect from 10th October, 1994 the name of Transferee Company was changed to 'Nucleus Software Exports Limited' vide certification from RoC, NCT of Delhi and Haryana. The Transferee Company currently has its registered office at 33-

35 Thyagraj Nagar Market, New Delhi – 110003. . The Permanent Account Number of Transferee Company is AAACN5382P.

The main objects of Transferee Company as provided in Clause III (A) of its Memorandum of Association are as under:

1. *“To carry on the business of consultants, trading, manufacturing, importing, exporting, agents and distributors of systems study, analysis, design, development and implementation of technologies, software systems/applications based on wireless, mobile or any other technology, for usage in all kinds of businesses, management systems, mobile system, e-commerce and/or associated logistics including for any other purpose(s) or business(es) whatsoever, communication systems or combination of the computer and communication systems, hardware equipments for any system, product or technology and providing consultancy related to commercial and non-commercial usage, engineering goods, electronics equipments and instruments electrical goods and equipment and computers supply of manpower for supporting software supplied to various commercial and non-commercial users.*
2. *To carry on the business as manufacturers of, fabricators, assemblers, processors and dealers of all kinds of computers, accounting and business, machines, transistors, transformers, receivers, conductors, magnetic materials, microwave components, videogames tapes, discs, fittings switches and all hardware, software and peripherals thereto.*
3. *To own or otherwise establish set up, manage, run and operate through partnership, joint venture or any other mode, training; data processing and information centers and/ or educational Institutions for imparting education, coaching and training in information Technology, Software Solutions, networking, data processing, telecommunication and other allied activities in the fields of computer software, hardware, marketing, management and business related, in India and abroad either through education centers and/or through postal means or through electronic i.e. e-learning services or other media including but not limited to publishing books,*

magazines, hosting websites for services of content development and support, animation, learning support, learning management systems and knowledge services and other related activities and to carry on the business of data digitalization by digitizing physical and manual records such as text images, videos and audio to carry on the business in India and abroad for commercial as well as non-commercial users.

- 4. To carry on the business of providing outsourcing services for all processors, sub processors, transactions, activities and all other work performed in various industries within India and across the world including but not limited to those process or sub processes that are enabled by information technology data, voice or video collection and processing, call centre services including in bound and out bound calling services of all kinds, technical support, managed data centre, managed technical centre, training centre, web support back office, business or financial analysis, scientific analysis, research work and analysis, storage, disaster recovery, accounting, pay roll, inventory management, customer relationship management, enterprises resources planning and to render computer services for commercial users and to develop software and supply information technology solutions including turnkey solutions, end-to-end solutions, systems integration and development of software, computer hardware, peripherals, networking.*
- 5. To operate technology data processing centre or providing management information, analysis, development accounting and business information, and providing data to Corporate, Institutions, individuals in India and abroad to carry on the business of gathering compiling, processing analyzing, distributing, selling, publishing data and information and services and providing access to information regarding financial operations and management of financial services, investment services, business and commercial operations, financial status, credit worthiness and rating consumer responses and management of business of all kinds and descriptions and to provide other services through either computer aided or telephone or any other mode in India or anywhere in world and to carry on the business of providing infrastructure Management services and Application Service provider (ASP) services or commercial*

usage to Corporates, institutions, individuals, or other legal entity whether in India and abroad.

- 6. To carry on in India or abroad whether independently or in partnership with any other person, the business to provide, promote, develop, design, establish, setup, maintain, organize, undertake, manage, operate, run, market, purchase, sell, distribute, resell, import, export and carry on the business of all types/kinds of electronic and/or virtual payment systems services including integrated software and applications, e-wallets, mobile-wallets, cash card, stored value instruments, payment gateways services, prepaid and/or postpaid payment instruments payment systems including open/closed/semi-closed systems payment instruments, including all kinds of payment services in any manner whatsoever through offline transaction, internet payment transactions or e-commerce payment transactions in banking, credit card payments, debit card payments, smart card payments, prepaid card payments, electronic cash card payments, electronic cashless payment systems, e-wallet payment systems, mobile payment systems, merchant payment transactions, utility payment transactions, digital COD(Cash on Delivery) payments, remittance transactions, credit reporting services and online search engine services, transaction switching and monitoring and transaction analytics of online financial and non-financial transactions through ATM, POS, Mobile Channels or any other channel available in future, internet, e-commerce, m-Commerce or such other system, mechanism, medium or technology as may be available invented, created from time to time in India or elsewhere, to scale up and to allow seamless integration across multiple business entities spread across various geographical locations to ensure a safe, secure and efficient electronic payment system and to act as marketing agents, consultants, financiers, advisors, technicians for promoting and servicing of different types of payment systems such as closed, semi-closed and open systems relating to Payments and Settlement Services and to take over or give franchises of the same.*
- 7. To provide services, management and consultancy in the field of prepaid and/or postpaid payment instruments services, electronic and virtual payment systems, transaction processing, and to act as dealers, distributors, agents, representative of*

Indian and foreign concerns/persons operating in the line of prepaid, postpaid and other payment system services, and allied activities related thereto”.

C. Objects and Rationale for the Proposed Scheme

- i. Pursuant to and under the provisions of Sections 230 to 232 and other applicable provisions of the Act, the entire Business and Undertaking of each of the Transferor Companies will be merged and amalgamated into and with the Transferee Company.
- ii. Pursuant to the amalgamation, there will be no change in the control or management of the Transferor Companies. Therefore, the Scheme would, *inter-alia*, have the following benefits:
 - a. The Transferor Company-1 and Transferor Company-2 are wholly owned subsidiaries of the Transferee Company and are engaged in similar nature of business. In order to consolidate the businesses at one place and effectively manage the Transferor Companies and Transferee Company as a single entity, for streamlining the group structure by reducing the number of legal entities, reducing the multiplicity of legal and regulatory compliances, rationalizing costs, it is intended that the Transferor Companies be amalgamated into and with Transferee Company;
 - b. The independent operations of the Transferor Companies and Transferee Company leads to incurrence of significant costs and the proposed Scheme would enable economies of scale. The proposed Scheme shall prevent cost duplication that can erode financial efficiencies of a holding structure and the resultant operations are expected to be substantially cost-efficient;
 - c. The proposed Scheme will eliminate layered structures and reduce managerial overlap;

- d. The proposed Scheme shall result in simplified corporate structure of the Transferee Company and its businesses, thereby leading to more efficient utilization of capital and creation of a consolidated base for future growth of the Transferee Company;
- e. The proposed Scheme will contribute in furthering and fulfilling the objectives and business strategies of all the companies thereby accelerating growth, expansion and development of the respective businesses currently being carried through the Transferee Company;
- f. The proposed Scheme will enable further expansion of the Transferee Company and provide a strong and focused base to undertake the business more advantageously;
- g. The proposed Scheme shall bring concentrated management focus, integration, streamlining of the management structure, seamless implementation of policy changes and shall also help enhance the efficiency and control of the Transferor Companies and Transferee Company;
- h. The synergies created by the proposed Scheme shall increase operational efficiency and integrate business functions;
- i. Greater access to different market segments in the conduct of its business.
- j. Greater efficiency in cash management of the Transferee Company, an unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value;
- k. Greater integration and greater financial strength and flexibility for the Transferee Company, which would result in maximizing overall shareholder value, and will improve the competitive position of the combined entity;

- I. The Scheme is not opposed to public policy and shall not have any adverse effect on either the shareholders or employees or creditors of the Transferor Companies or the Transferee Company.
- iii. The Scheme has been approved by the Audit committee of Transferee Company and the respective Board of Directors of each of the Transferor Companies and the Transferee Company. Accordingly, it has been decided to make the requisite applications/ petitions before the Tribunal for the sanction of this Scheme.
- iv. The amalgamation of both 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.

D. Parts of the Scheme

The Scheme is divided in the following parts:

- i. **Part-I** provides for Definitions, Interpretation and Share Capital details of the Companies which are common to all Parts. Specific definitions (if any) have been provided in the other Parts therein;
- ii. **Part-II** provides for specific provisions governing the merger and amalgamation of each of the Transferor Companies into and with the Transferee Company;
- iii. **PART-III** deals with certain general terms and conditions applicable to one or more Parts of this Scheme.

PART-I: DEFINITIONS, INTERPRETATION AND SHARE CAPITAL

1. Definitions

In this Scheme, unless inconsistent / repugnant with the subject, context or meaning thereof, the following initially and/ or fully capitalized words or expressions shall have the meaning as set out herein below:

- 1.1. **“Act”** means the Companies Act, 2013 including any applicable rules and regulations made thereunder, and includes any statutory re-enactments, modifications and / or amendments thereof from time to time and to the extent in force;
- 1.2. **“Applicable Laws”** means any statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority including any statutory modification or re-enactment thereof for the time being in force;
- 1.3. **“Appointed Date”** means the date from which the provisions of this Scheme shall become operational i.e. opening of business hours on 01 April 2019 or such other date as may be assented to and approved by the Board of Directors of the Companies and approved by the Tribunal;
- 1.4. **“Appropriate Authority”** means and includes any governmental, statutory, departmental or public body or authority, including Registrar of Companies, Stock Exchanges and the Tribunal;
- 1.5. **“Board of Directors”** in relation to the each of the Transferor Companies and the Transferee Company, as the case may be, means its respective board of directors, and unless it be repugnant to the context or otherwise, shall be deemed to include every committee (including a committee of directors) or any person authorized by the board of directors or such committee of directors

duly constituted and authorized, *inter alia*, for the purposes of the amalgamation, the Scheme and/ or any other matter relating thereto;

1.6. “**BSE**” means BSE Limited;

1.7. “**Business and Undertaking**” shall mean whole of the undertaking and entire business of each of the Transferor Company-1 and Transferor Company-2 as a going concern on the Appointed Date and shall include inter alia the following:

- a. all rights, titles, interests, covenants, undertakings and liabilities including rights, titles and interests continuing in connection with the immovable properties, and buildings, whether freehold, leasehold or otherwise;
- b. all property, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent, including all movable assets, fixed assets, plant and machinery, office equipment, computers, computer software products, data processing and communication equipment and facilities, lines and links, switches and routers, servers, telephones, telexes, facsimile connections, equipment, apparatus, installations, utilities, generators and air conditioners, electricity, water and other service connections, furniture and fixtures, all resources, utilities and facilities, vehicles, work-in-progress including capital work in progress, whether owned, leased or otherwise;
- c. all the current assets, loans and advances including inter alia inventories of raw materials, components and parts, work-in progress, finished goods and goods-in-transit, account receivables, cash and bank balances, deposits including accrued interest, share application monies, other current assets, actionable claims and debts appertaining to the moveable assets;
- d. all earnest monies and/or security deposits, payment against warrants or other entitlements in connection with or relating to the Transferor Companies, including

deposits and rent advance paid to lessors or licensors of office premises, warehousing facilities or residential premises;

- e. all investments in government securities, shares, debentures and other securities, application money for subscription of shares, debentures, and other securities, made or held by the Transferor Companies, as well as all benefits accrued thereon;
- f. all permits, quotas, rights, entitlements, allotments, approvals, consents, concessions, benefits arising out of exports of goods and services, exemptions, liberties, advantages, no-objection certificates, certifications, registrations, easements, goodwill, licenses, tenancies, offices and depots, Intellectual Property Rights including trade name and trademarks, service marks, patents, copyrights, moral rights, domain names, applications for copyrights, patents, privileges and benefits of all contracts, agreements and all other rights including lease rights, licenses, hire purchase arrangements, powers and facilities of every kind and description whatsoever appertaining to the Transferor Companies;
- g. right to claim tax holidays, if applicable, under the provisions of the Income Tax Act;
- h. Right to any claim, whether preferred or not, made by 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 relevant law, act or rule;
- i. all the secured and unsecured loans, debts, current liabilities and provisions, and other liabilities, duties and obligations, whether present or future and whether recorded or unrecorded, of the Transferor Companies, as at the Appointed Date (hereinafter collectively referred to as the "**Liabilities**");
- j. all contracts, agreements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales

orders, purchase orders or other instruments of whatsoever nature to which Transferor Company-1 or Transferor Company-2 is a party, relating to their respective business, activities and operations;

- k. all such permanent employees of Transferor Company-1 or Transferor Company-2, employees/personnel engaged on contract basis and contract labourers and secondees/interns/trainees, at its respective offices, branches or otherwise, and any other employees/personnel and contract labourers and interns/trainees hired by Transferor Company-1 or Transferor Company-2 after the date hereof, relating to their respective business, activities and operations; and
 - l. all books, record files, papers, computer programs along with engineering and process information, manuals, data, catalogues, quotations, websites, sales and advertising material, list of present and former customers, customer credit information, customer pricing information, and other records whether in physical form or electronic form in connection with or relating to the respective business, activities and operations of the Transferor Companies.
 - m. all unabsorbed tax losses, unabsorbed tax depreciation, advance taxes, tax deducted at source, tax collected at source, Minimum Alternate tax credit, Service tax input credit balances, all state value added tax input credit balances and input tax under Goods & Services legislation.
- 1.8. **“Effective Date”** shall mean the last of the dates on which the conditions set out in Clause 16 of the Scheme are satisfied or waived in accordance with this Scheme. Any reference in this Scheme to the words **“upon the Scheme becoming effective”** or **“date of coming into effect of the Scheme”** or **“Scheme coming into effect”** shall mean the Effective Date;
- 1.9. **“Government Authority”** means any applicable Central or State Government or local body, Legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having

- jurisdiction on behalf of the Republic of India or any state or other subdivision thereof or any municipality, district or other subdivision thereof;
- 1.10. **“Income Tax Act”** means the Income Tax Act, 1961, and shall include any statutory modifications, re-enactment or amendment thereof and to the extent in force;
 - 1.11. **“Input Tax Credit”** means CENVAT Credit as defined under the CENVAT Credit Rules, 2004 and any other tax credits under any indirect tax law for the time being in force including Goods & Service Tax;
 - 1.12. **“Intellectual Property Rights”** means (a) copyright, patents, brands, manufacturing process, database rights and rights in trade-marks, designs, know-how and confidential information (whether registered or unregistered); (b) applications for registration, and rights to apply for registration, of any of the foregoing rights; and (c) all other intellectual property rights and equivalent or similar forms of protection existing anywhere in the world;
 - 1.13. **“Listing Regulations”** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and shall include any statutory modifications, re-enactment or amendment thereof and to the extent in force;
 - 1.14. **“Official Liquidator”** or **“OL”** means the Official Liquidator having jurisdiction over the Transferor Companies and the Transferee Company;
 - 1.15. **“NSE”** means National Stock Exchange of India Limited;
 - 1.16. **“Registrar of Companies”** means the Registrar of Companies at NCT of Delhi and Haryana at New Delhi;
 - 1.17. **“Rules”** means the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and shall include any statutory modifications, re-enactment or amendment thereof and to the extent in force;

- 1.18. **“Scheme”** means this Scheme of Amalgamation of Transferor Company-1 and Transferor Company-2 and Transferee Company and their respective shareholders, in its present form (along with any annexures, schedules, etc. attached hereto), as submitted to the Tribunal or this Scheme with such modification(s), if any, as may be made by the members and/ or the creditors of the Companies or such modification(s) as may be imposed by any competent authority and/ or directed to be made by the Tribunal while sanctioning the Scheme and as accepted by the respective Board of Directors of the Companies;
- 1.19. **“SEBI”** means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992;
- 1.20. **“Shareholders”** with respect to each of the Transferor Company-1 and Transferor Company-2 and the Transferee Company, means respectively, the persons registered from time to time, as the holders of the equity and preference shares of the company concerned;
- 1.21. **“Stock Exchanges”** means BSE and/ or NSE;
- 1.22. **“Transferee Company”** means Nucleus Software Exports Limited, bearing CIN L74899DL1989PLC034594, incorporated on 09th January 1989 under the provisions of the Companies Act, 1956 and having its registered office at 33-35 Thyagraj Nagar Market, New Delhi – 110003;
- 1.23. **“Transferor Company-1”** means Virstra I-Technology Services Limited bearing CIN U72200DL2004PLC126213, incorporated on 06th May 2004 under the provisions of the Companies Act, 1956 and having its registered office at 33-35 Thyagraj Nagar Market, New Delhi – 110003;
- 1.24. **“Transferor Company-2”** means Avon Mobility Solutions Private Limited bearing CIN - U72900DL2007PTC341409, incorporated on 15th May 2007 under the provisions of the Companies Act, 1956 and having its registered office at 33-35 Thyagraj Nagar Market, New Delhi – 110003;

- 1.25. **“Tribunal”** means the Hon’ble National Company Law Tribunal at New Delhi as constituted under the provisions of the Act having jurisdiction over the Transferor Companies and Transferee Company.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as ascribed to them under the Act and other Applicable Laws, as the case may be or any statutory modification or re-enactment thereof from time to time to the extent in force.

2. Interpretation

- 2.1. References to statutory provisions shall be construed as references to the statutory provisions under Applicable Laws of India unless otherwise specified, and in any event to those provisions as respectively amended, superseded or re-enacted or as their application is modified by any other provisions (whether made before or after the date of this Scheme) from time to time, to the extent in force;
- 2.2. References to Clauses are to the Clauses of this Scheme and references to sub-clauses are to the sub-clauses of the Clause of this Scheme in which the reference appears;
- 2.3. The headings and sub-headings are for information only and shall not affect the construction or interpretation of this Scheme;
- 2.4. The singular shall include the plural and vice versa; and reference to one gender shall include all genders;
- 2.5. Any phrase introduced by the terms “including”, “include” or any similar expression shall be construed as illustrative and shall not limit the sense or scope of the word(s) preceding those terms.

3. Date of Taking Effect and Operative Date

- 3.1. The Scheme set out herein in its present form submitted to the Tribunal or this Scheme with such modification(s), if any, as may be made by the members and/ or the creditors of the Companies or such modification(s) as may be imposed by any competent authority and/or directed to be made by the Tribunal while sanctioning the Scheme and as accepted by the respective Board of Directors of the Companies shall be operative from the Appointed Date but shall be effective from the Effective Date.

4. Share Capital

The authorized, issued, subscribed and paid up share capital of the Transferor Companies and the Transferee Company as on 31st December 2018 is as follows:

4.1. Transferor Company-1

Particulars	Amount (in INR)
Authorized Capital	
10,00,000 Equity Shares of INR 10/- each	1,00,00,000

4.2. Transferor Company-2

Particulars	Amount (in INR)
Authorized Capital	
1,00,000 Equity Shares of INR 10/- each	10,00,000
40,00,000 11% Redeemable Non-Cumulative Preference Shares of INR 10/- each	4,00,00,000

4.3. Transferee Company

Particulars	Amount (in INR)
Authorized Capital	
4,00,00,000 Equity Shares of INR 10/- each	40,00,00,000

It is provided that till the Scheme becomes effective, the Transferor Companies and the Transferee Company are free to alter their authorized, issued, subscribed or paid up share capital as required by respective business requirements (including issue of shares on account of capital infusion in to the relevant company), subject to the necessary permissions and approvals of the concerned Government Authority and their respective Board of Directors and members, if required.

5. Compliance with Tax Laws

- 5.1. This Scheme complies with the conditions relating to “amalgamation” as defined under Section 2(1B) and other relevant sections and provisions of the Income Tax Act. If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date whether as a result of a new enactment or any amendment or coming into force of any provision of the Income Tax Act or any other Applicable Law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the tax laws shall prevail and this Scheme may be modified accordingly with consent of the Transferor Companies and the Transferee Company (acting through the powers vested with their respective Board of Directors, which power can be exercised at any time and shall be exercised in the best interests of the companies and their shareholders).

PART-II: AMALGAMATION, TRANSFER AND VESTING

6. Transfer and Vesting

- 6.1. On occurrence of the Effective Date and with effect from the Appointed Date, the entire Business and Undertaking of the each of the Transferor Company-1 and Transferor Company-2 shall, in terms of Sections 230 to 232 and other applicable provisions of the Act and other provisions of Applicable Law, as may be relevant, pursuant to the sanctioning of the Scheme by the Tribunal, without any further act, instrument, deed, matter or thing, stand transferred and vested in and/or deemed to be transferred to and vested in the Transferee Company as a going concern, in the following manner:

6.1.1. Transfer of Assets

- a. The entire Business and Undertaking of the Transferor Companies shall stand transferred to and be vested in the Transferee Company without any further act or deed, together with all its properties, assets, rights, benefits and interest therein, subject to existing charges thereon, if any, in favour of banks and financial institutions and other secured lenders, as the case may be;
- b. All the assets of the Transferor Companies as are movable in nature or incorporeal property or are otherwise capable of transfer by physical delivery or by endorsement and delivery or transfer by vesting and recording pursuant to this Scheme, shall stand vested in the Transferee Company, with effect from the Appointed Date, and shall become the assets and an integral part of the Transferee Company;
- c. All movable property of the Transferor Companies, other than those specified in Paragraph 6.1.1.b above, including sundry debtors, cash in hand or in bank, outstanding loans and advances, actionable claims, guarantees, acceptances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Quasi-Government, local and other authorities and bodies, customers and other persons shall without any notice, intimation, act, instrument or deed become the property and integral part of the Transferee Company;
- d. All the licenses, permits, quotas, contracts (together with all non-compete covenants), approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Companies and all rights and benefits that have accrued or which may accrue to the Transferor Companies, whether before or

after the Appointed Date, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company, the licenses, permits, quotas, contracts (together with all non-compete covenants), approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and condition and shall be appropriately registered by the relevant statutory authorities in favor of the Transferee Company pursuant to this Scheme, in order to facilitate the continuation of operations of the Transferor Companies in the Transferee Company without any hindrance, on and from the Appointed Date.

- e. In so far as various incentives, subsidies, special status and other benefits or privileges (including but not limited to right to claim credit in respect of all unabsorbed tax losses, unabsorbed tax depreciation, advance taxes, tax deducted at source, tax collected at source, Minimum Alternate tax credit, Service tax input credit balances, all state value added tax input credit balances and input tax under Goods & Services legislation, all other rights including sales tax deferrals and exemptions and other benefits) granted by any Government body, local authority or by any other person and availed of by the Transferor Companies are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions.
- f. Upon the transfer of each of the permissions, approvals, consents, sanctions, remissions, special reservations, sales tax remissions, tax exemptions and benefits, incentives, concessions and other or similar authorizations of the Transferor Companies to the Transferee Company and pursuant to the order of the Tribunal, the Transferee Company shall file the relevant notifications and communications, if any, for the record of the appropriate authorities which shall take them on record.

- g. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Companies after the Effective 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. Similarly, the bankers of the Transferee Company shall honour all cheques issued by the Transferor Companies for payment after the Effective Date. If required, the Transferor Companies shall allow maintaining of bank accounts in the name of Transferor Companies by the Transferee Company for such time as may be determined to be necessary by the Transferor Companies and the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Companies. It is hereby expressly clarified that any legal proceedings by or against the Transferor Companies in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the 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.

6.1.2. Transfer of Liabilities

- a. Upon the coming into effect of this Scheme and with effect from the Appointed Date all liabilities including but not limited to all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertaking of the Transferor Companies, all other obligations (including any guarantees, letter of credit or any other instrument or arrangement which may give rise to a contingent liability in whatever form) whether relating to and comprised in any of the Undertaking or otherwise, of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations (herein referred to as the Liabilities), shall, pursuant to the sanction of

this Scheme by the Tribunal and under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, along with any charge, encumbrance, lien or security thereon, and the same shall be assumed by the Transferee Company to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Companies, and the Transferee Company shall meet, discharge and satisfy the same and further 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 liabilities have arisen in order to give effect to the provisions of this Clause.

- b. Without prejudice to the generality of the provisions contained herein, all loans raised, and liabilities incurred by either of the Transferor Companies after the Appointed Date but before the Effective Date for their operations, shall be deemed to be that of the Transferee Company;
- c. Where any such debts, loans raised, liabilities, duties and obligations of the Transferor Companies as on the Appointed Date have been discharged or satisfied by the Transferor Companies after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company.
- d. The transfer and vesting of the entire Business and Undertaking of the Transferor Companies, as aforesaid, shall be subject to the existing securities, charges and mortgages, if any, subsisting, over or in respect of the property and assets or any part thereof of the respective Transferor Companies, as the case may be;

Provided however that, any reference in any of the security documents or arrangements (to which either of the Transferor Company is a party) to the assets

of any of the Transferor Companies, 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 any of the Transferor Companies, as are vested in the Transferee Company by virtue of this Scheme, to the end and intent that such security, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of the Transferee Company;

6.1.3. Encumbrances

- a. The transfer and vesting of the properties, assets, liabilities and Undertaking of the Transferor Companies to and in the Transferee Company under this Scheme shall be subject to the mortgages and charges, if any, affecting the same, as and to the extent hereinafter provided.
- b. All the existing securities, mortgages, charges, encumbrances or liens (the Encumbrances), if any, as on the Appointed Date and created by the Transferor Companies after the Appointed Date, over the properties, assets, Undertaking or any part thereof transferred to the Transferee Company by virtue of this Scheme and in so far as such encumbrances secure or relate to Liabilities of the Transferor Companies, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company, and such encumbrances shall not relate or attach to any of the other assets of the Transferee Company, provided however that no encumbrances shall have been created by the Transferor Companies over its assets after the date of filing of the Scheme without the prior written consent of the Board of Directors of the Transferee Company.
- c. The existing encumbrances over the assets and properties of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate only to such assets and properties and

shall not extend or attach to any of the assets and properties of the Transferor Companies transferred to and vested in the Transferee Company by virtue of this Scheme.

- d. Any reference in any security documents or arrangements (to which the Transferor Companies is a party) to the Transferee Company and its assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Companies transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferor Companies and the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge(s), with the RoC to give formal effect to the above provisions, if required.
- e. Upon the coming into effect of this Scheme, the Transferee Company alone shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of the Scheme.
- f. It is expressly provided that no other terms or conditions of the liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.
- g. The provisions of this Clause 6.1.2. shall operate in accordance with the terms of the Scheme, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall be deemed to stand modified and/or superseded by the foregoing provisions.

6.1.4. Contracts, Agreements, Deeds, Licenses, Permits etc.

- a. All contracts, deeds, bonds, share-purchase agreements, memoranda of understanding, letters of intent, undertakings, whether written or otherwise, agreements, schemes, arrangements and other instruments of whatsoever nature in

relation to the Transferor Companies, or to the benefit of the Transferor Companies, and which are subsisting or having effect immediately before the Effective Date, shall remain in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the concerned Transferor Company-1 or Transferor Company-2, the Transferee Company had been a party or beneficiary or obligee thereto. Any contingent liabilities arising out of or in connection with the assignment of any tax/ levy deferrals by the Transferor Companies to any third party between the Appointed Date and the Effective Date shall be deemed to be that of the Transferee Company. All insurance benefits (including 'no claim bonuses') arising from the insurance policies so taken by either of the Transferor Companies in relation thereto or in connection therewith, stand transferred to and vested in the Transferee Company, as if the Transferee Company is a party thereto, and the Transferee Company shall be entitled to exercise all rights and privileges and shall be liable to perform all obligations thereunder;

- b. All the leases, tenancies, leave and license agreements, lease agreements or other like agreements entered into by either of the Transferor Companies for taking on lease or rent or license basis, office premises or residential premises and all agreements entered into in relation thereto or in connection therewith, shall stand transferred to and vested in the Transferee Company, as if the Transferee Company is a party thereto, and the Transferee Company shall be entitled to exercise all rights and privileges and shall be liable to perform all obligations thereunder;
- c. All permits, quotas, rights, certificates, entitlements, licenses including those relating to the trade names and trademarks, patents, copy rights and all other Intellectual Property Rights, tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Transferor Companies to which any of the Transferor Companies is a party, or to the benefits of which either of the Transferor Companies may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be enforceable fully and

effectually as if, instead of the respective Transferor Companies, the Transferee Company had been a party or beneficiary or obligee thereto or therein;

- d. All statutory licenses, no-objection certificates, permissions or approvals or consents required to carry on operations of the Transferor Companies, or granted to Transferor Companies, or under any other scheme of the Government of India or any of the State Governments as well as the necessary licenses and permits, shall stand vested in or transferred to the Transferee Company without further act or deed, and shall be appropriately transferred or assigned by the statutory authorities concerned therewith in favour of the Transferee Company upon the vesting of the Transferor Companies including their respective Business and Undertaking to the Transferee Company, pursuant to this Scheme. The benefit of all statutory and regulatory permissions, approvals or consents required to carry on the operations of Transferor Companies, shall vest in and become available to the Transferee Company, which shall send the relevant intimations for record of the same with the concerned statutory or any other authority, pursuant to this Scheme;
- e. The Transferee Company will, at any time after this Scheme comes into effect, if so required under any Applicable Law or otherwise considered expedient by the Transferee Company, execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to Transferor Companies, or to which either of Transferor Company is a party, in order to give effect to the above provisions;

6.1.5. Legal Proceedings

- a. All suits, claims, actions and proceedings of whatsoever nature by or against Transferor Company-1 and/ or Transferor Company-2 pending or instituted on or before the Effective Date shall neither abate nor shall in any way be prejudicially affected by reason of the said Businesses and Undertakings, having finally stood transferred to or vested in the Transferee Company as envisaged in this Scheme but

shall be continued and be enforced by or against the Transferee Company as effectually as if the same has been pending and/or arising against and/ or instituted by or against the Transferee Company.

6.1.6. Employee Matters

Upon the coming into effect of this Scheme:

- a. All the employees, staff, workmen or other labour of Transferor Company-1 and Transferor Company-2 shall become employees, staff, workmen or other labour of the Transferee Company, without any break or interruption in service and on the same terms and conditions on which they are engaged by the Transferor Companies, up to the Effective Date. Services of all such employees, staff, workmen or other labour with the Transferor Companies up to the Effective Date shall be taken into account for the purpose of retirement benefits to which they may be eligible in the Transferee Company, on or after the Effective Date. Such past services with the Transferor Companies shall be taken into account by the Transferee Company, for the purpose of any retrenchment compensation, should the Transferee Company introduce any such scheme in future. The services of such employees, staff, workmen or other labour shall not be treated as having been broken or interrupted for the purpose of provident fund or gratuity or superannuation or other statutory purposes and for all purposes will be reckoned from the date of commencement of their services with the Transferor Companies;
- b. As regards the provident fund, gratuity fund, superannuation fund, or any other special fund, if any, created or established by or existing as of the Effective Date, for the benefit of staff, workers, labour or employees of the Transferor Companies (hereinafter collectively referred to as the “**Employee Benefit Funds**”), upon this Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Companies, for all intents and purposes whatsoever, related to the operation or administration of such Employee Benefit Funds, and in relation to the

obligation to make contribution to such Employee Benefit Funds, in accordance with the provisions of such Employee Benefit Funds;

- c. It is the aim and intent of this Scheme that all the rights, powers, duties and obligations respectively of the Transferor Companies in relation to such Employee Benefit Funds shall become those of the Transferee Company, as if the Transferee Company is a party thereto in place of the Transferor Companies. The services of staff, workmen and other employees shall be treated as having been continuous for the purpose of such Employee Benefit Funds. Subject to substitution of the Transferee Company for the respective Transferor Companies as aforesaid, the Transferee Company may, at its discretion, either maintain separate employee benefit funds established by the Transferor Companies for the employees, who are transferred from the Transferor Companies to the Transferee Company or combine those funds with the funds established by the Transferee Company. In case either of the Transferor Companies have not established a separate fund or trust for providing provident fund benefits to its employees, but makes contributions to the regional provident fund authorities, the Transferee Company may, at its discretion, either continue such arrangement or establish a separate fund for the purpose or admit such employees to the funds established by the Transferee Company, and accordingly take steps for transfer of the accumulated balances standing to the credit of such employees.

6.1.7. Treatment of Taxes - Tax related provisions

- a. Notwithstanding anything to the contrary contained in the provisions of this Scheme, Transferee Company shall be entitled to carry forward, avail of, or set-off any unabsorbed tax losses, unabsorbed tax depreciation, Credit of minimum alternative tax and input tax credits of Transferor Companies that remain unutilized as on Appointed Date. Further, any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions as would have been available

to Transferor Companies on or before Appointed Date shall be available to Transferee Company as per Applicable Laws;

- b. Upon this Scheme becoming effective, Transferee Company shall be entitled to claim refunds or credits, including Input Tax Credits, with respect to taxes paid by, for, or on behalf of, Transferor Companies under Applicable Laws, including but not limited to income tax, goods and service tax, sales tax, value added tax, service tax, excise duty laws, CENVAT credit or any other taxes/duties/levies, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed. For the avoidance of doubt, Input Tax Credits already availed of or utilised by Transferor Companies and Transferee Company in respect of inter se transactions shall not be adversely impacted by the cancellation of inter se transactions pursuant to this Scheme;
- c. Upon this Scheme becoming effective, any advance tax, self-assessment tax, minimum alternate tax and unexpired credit thereof or TDS credit available or vested with Transferor Companies, including any taxes paid and taxes deducted at source and deposited by Transferor Companies on inter se transactions during the period between Appointed Date and the Effective Date shall be treated as tax paid by Transferee Company and shall be available to Transferee Company for set-off against its liability under the Income Tax 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 on transactions shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by Transferee Company. Any TDS deducted by, or on behalf of, Transferor Companies on inter se transactions will be treated as tax deposited by Transferee Company;
- d. Upon this Scheme becoming effective, any goods and service tax (GST), service tax or any other tax charged by, for, or on behalf of, Transferor Companies on inter se transactions and in respect of which CENVAT credit or any Input Tax Credit is

not available or has not been claimed by Transferee Company, shall be treated as goods and service tax (GST), service tax or any other tax (as the case may be) paid in cash by Transferor Companies, without any further action on the part of the relevant Transferor Companies and Transferee Company;

- e. Transferee Company is expressly permitted to file or revise its corporate income tax, TDS, goods and services tax, wealth tax, service tax, excise, VAT, entry tax, professional tax or any other statutory returns, statements or documents in order to avail credit for advance tax paid, depreciation, tax deducted at source, claim for sum prescribed under Section 43B of the Income Tax Act on payment basis, deduction for provisions written back previously disallowed, by / relating to Transferor Companies under the Income Tax Act, credit of tax paid (including Credit of minimum alternative tax, under Section 115JB read with Section 115JAA of the Income Tax Act, available to Transferor Companies as on the Appointed Date), credit of foreign taxes paid / withheld etc., if any, pertaining to Transferor Companies upon this Scheme becoming effective, 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. Transferee Company is expressly permitted to amend, if required, its TDS or other statutory certificates and shall have the right to claim refunds, tax credits, set-offs and, or, adjustments relating to its income or transactions entered into by it with effect from Appointed Date.
- f. The taxes or duties paid by, for, or on behalf of, Transferor Companies relating to the period on or after Appointed Date (regardless of the period they relate to, shall be deemed to be the taxes or duties paid by Transferee Company, as effectively as if the Transferee Company had paid the same and Transferee Company shall be entitled to claim credit or refund for such taxes or duties;
- g. In accordance with the Cenvat Credit Rules, 2004 framed under Central Excise Act, 1944, state value added tax and Goods & Services tax as are prevalent on the

Effective Date, the unutilized credits relating to excise duties, state value added tax, Goods & Services tax and service tax paid on inputs / capital goods / input services lying in the accounts of the Undertaking of the Transferor Companies shall be permitted to be transferred to the credit of the Transferee Company, (including in electronic form / registration), as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the excise duty / service tax/ Goods & Services tax payable by it.

Without prejudice to the generality of the above, all benefits, incentives, losses, credits (including, but without limitation to income tax, tax deducted at source, wealth tax, service tax, excise duty, central sales tax, applicable state value added tax, Goods & Services tax etc.) to which the Transferor Companies is entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company, (including in electronic form / registration), upon this Scheme coming into effect.

- h. As and from the Effective Date, all tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Companies. All tax liabilities of the Transferor Companies determined prior to Effective Date as well as tax liabilities pertaining to past periods determined after the Effective Date shall be transferred and enforced against the Transferee Company in the same manner and to the same extent as would or might have been enforced against the Transferor Companies.

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

6.1.8. Inter-se Transactions:

Without prejudice to the provisions of this Scheme, with effect from the Appointed Date, any loans, advances, obligations and any other transactions (including any billings, guarantees, letters of credit, letters of comfort or any other instruments or arrangements) between the Transferor Companies and the Transferee Company shall, ipso facto, stand cancelled and discharged and there shall be no rights, liabilities or obligations outstanding as between the relevant Companies and appropriate effect shall be given to such cancellation and discharge in the books of accounts and records of the Transferee Company. For the avoidance of doubt, it is hereby clarified that with effect from the Appointed Date, there will be no accrual of interest or other charges in respect of any loans, advances and other obligations as between any of the Transferor Companies and the Transferee Company. In so far as any shares, securities, debentures or notes issued by the Transferor Companies, and held by the Transferee Company and vice versa are concerned, the same shall, stand cancelled without any further act or deed as on the Effective Date, and shall have no effect and the Transferor Companies or the Transferee Company, as the case may be, shall have no further obligation outstanding in that behalf.

6.1.9. Declaration of Dividend:

- a. During the period between the Appointed Date and up to and including the Effective Date, the Transferor Companies shall not declare any dividend without the prior written consent of the Board of Directors of the Transferee Company.
- b. For the avoidance of doubt, it is hereby declared that nothing in the Scheme shall prevent the Transferee Company from declaring and paying dividends, whether interim or final, to its equity shareholders as on the Record Date for the purpose of dividend and the shareholders of the Transferor Companies shall not be entitled to dividend, if any, declared by the Transferee Company prior to the Effective Date.

6.1.10. Miscellaneous

- a. Insofar as any securities (including equity shares), debentures or notes issued by the any of the Transferor Companies and held by the Transferee Company and vice versa are concerned, the same shall, unless sold or transferred by holder of such securities, at any time prior to the Effective Date, stand cancelled and shall have no further effect.
- b. The Transferee Company shall be entitled to take all steps as may be necessary to ensure that vacant, lawful, peaceful and unencumbered possession, right, title, interest of Transferor Companies' immovable property or the properties occupied or used or enjoyed by the Transferor Companies is received by the Transferee Company;
- c. All motor vehicles of any description whatsoever of any of the Transferor Companies shall stand transferred to and be vested in the Transferee Company with effect from the Appointed Date, and the Transferee Company shall take steps, on or after the Effective Date, for substitution of the name of the Transferee Company in place of the respective Transferor Company, in the certificates of registration and other documents relating to motor vehicles and the appropriate Governmental and Registration Authorities shall accordingly substitute the name of the Transferee Company in place of the respective Transferor Company.

7. Conduct of Business by the Transferor Companies

- 7.1. With effect from the Appointed Date and until the Effective Date:

- a. The Transferor Companies shall carry on and shall be deemed to have carried on all their businesses and activities as hitherto for and on account or, and for the benefit of and in trust for, Transferee Company and shall stand possessed of their businesses, including all the assets and properties, on account of, and for the benefit of, and in trust for, the Transferee Company;
- b. All the income and profits accruing to the Transferor Companies and expenditure and losses arising or incurred (including the effect of taxes, if any, thereon) by the Transferor Companies, shall, for all purposes, be treated and be deemed to be and accrue as the incomes and profits or expenditure or losses or taxes of the Transferee Company, as the case may be.
- c. The Transferor Companies shall carry on its business with reasonable diligence and in the same manner as it has been doing hitherto, and the Transferor Companies shall not, save for anything done in the ordinary course of business, alter or substantially expand their business except with the written concurrence of the Transferee Company;
- d. The Transferor Companies shall not, without the written concurrence of the Transferee Company, alienate, charge or encumber any of their assets and properties, except in the ordinary course of business or pursuant to any pre-existing obligation undertaken prior to the date of approval of the Scheme by the Board of Directors of the Transferor Companies;
- e. The Transferor Companies shall not vary or alter, except in the ordinary course of its business or pursuant to any pre-existing obligation undertaken prior to the date of approval of the Scheme by the Board of Directors of the Transferor Companies, the terms and conditions of employment of any of their employees, nor shall they conclude settlement with any union or its employees except with the written concurrence of the Transferee Company;

- f. Upon the Scheme becoming effective, with effect from the Appointed Date, all debts, liabilities, duties and obligations of the Transferor Companies as on the close of business on the date preceding the Appointed Date, whether or not provided in its books, and all liabilities which arise or accrue on or after the Appointed Date shall be deemed to be the debts, liabilities, duties and obligations of the Transferee Company;
 - g. Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to the Transferor Companies shall be deemed to have been exercised by the Transferor Companies for and on behalf of and as agent for the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Undertaking that have been undertaken or discharged by the Transferor Companies shall be deemed to have been undertaken or discharged for and on behalf of and as agent for the Transferee Company.
- 7.2. For the purpose of giving effect to the vesting of the Business and Undertaking of the Transferor Companies, pursuant to Orders passed by the Tribunal, the Transferee Company shall, at any time, be entitled to get the recording of the change in the legal right(s), in accordance with the provisions of Sections 230 to 232 of the Act and in terms of directions, if any, given by the Tribunal. Further the Transferee Company shall be authorised to execute any pleadings, applications, forms, deeds, documents or other writings, as are required to remove any difficulties, seek modifications to the Scheme and carry out any formalities or compliances as are necessary for the implementation of this Scheme.
- 7.3. Pending sanction of the Scheme, the Transferee Company shall be entitled to apply to the Central and the State Governments, all other applicable authorities, agencies and/or organizations, for such consents, approvals, permissions and sanctions as may be required to own and operate the Business and Undertaking of each of the Transferor Companies, and the Transferor Companies will provide such reasonable assistance as may be required by the Transferee Company in this regard.

8. Consideration

- 8.1. For the purposes of this Scheme, it is hereby clarified that as the Transferor Companies are wholly owned subsidiaries of the Transferee Company and there would be no issue of shares by the Transferee Company in consideration of the amalgamation. Consequently, upon the Scheme coming into effect, the investments in the equity and/ or preference share capital of Transferor Company-1 and Transferor Company-2 appearing in the books of accounts of the Transferee Company will stand extinguished and cancelled.
- 8.2. Upon the Scheme becoming effective, the entire paid up share capital in the Transferor Companies fully held by the Transferee Company and/or its nominee(s) on the Effective Date shall stand extinguished and all such shares certificates representing the shares in the Transferor Companies shall be deemed to be cancelled on the Effective Date without any further application, act or deed.

9. Combination and Reclassification of the Authorized Share Capital and Amendment of Memorandum of Association of Transferee Company

- 9.1. With effect from the Appointed Date and upon the Scheme becoming effective, pursuant to Sections 230 and 232 read with Sections 13 and 61 and other applicable provisions of the Act, and Clause V of the Memorandum of Association of Transferee Company, the authorized share capital of Transferee Company shall stand reclassified and increased from the present authorized share capital consisting of 4,00,00,000 (Four Crore) equity shares of INR 10/- (Rupees Ten only) each aggregating to INR 40,00,00,000/- (Rupees Forty Crore only) to 4,11,00,000 (Four Crore Eleven Lakh) equity shares of INR 10/- (Rupees Ten only) each and 40,00,000 (Forty Lakh) preference shares of INR 10/- (Rupees Ten only) collectively aggregating to INR 45,10,00,000/- (Rupees Forty Five Crore Ten Lakh only). The fees/duty already paid by Transferor Companies for their authorized share capital shall be deemed to have been paid by Transferee Company. The amended Clause V of the

Memorandum of Association of the Transferee Company shall without any further act, deed or instrument be substituted as follows:

“The Authorised Share Capital of the Company is Rs. 45,10,00,000/- (Rupees Forty Five Crore Ten Lakh) divided into 4,11,00,000 (Four Crore Eleven Lakh) equity shares of INR 10/- (Rupees Ten) each and 40,00,000 (Forty Lakh) preference shares of INR 10/- (Rupees Ten) each.”

9.2. With effect from the Appointed Date and upon the Scheme becoming effective, the main objects of the Transferor Company-1 and Transferor Company-2 as covered in Paragraph B(i) and B(ii) respectively of this Scheme shall be added to the existing main objects of the Transferee Company in sub clause A of Clause III of its Memorandum of Association. The amended Clause III(A) of the Memorandum of Association of the Transferee Company shall without any further act, deed or instrument be substituted as follows:

1. *“To carry on the business of consultants, trading, manufacturing, importing, exporting, agents and distributors of systems study, analysis, design, development, coding, programme and implementation of technologies, software systems/applications based on wireless, mobile, internet application or any other technology, for usage in all kinds of businesses, management systems, programmed products, mobile system, e-commerce and/or associated logistics including for any other purpose(s) or business(es) whatsoever, communication systems or combination of the computer and communication systems, hardware equipments for any system, product or technology and providing consultancy related to commercial and non-commercial usage, engineering goods, electronics equipments and instruments electrical goods and equipment and computers supply of manpower for supporting software supplied to various commercial and non-commercial users.*
2. *To carry on the business as manufacturers of, fabricators, assemblers, processors and dealers of all kinds of computers, accounting and business, machines, transistors, transformers, receivers, conductors, magnetic materials, microwave components, videogames tapes, discs, fittings switches and all hardware, software and peripherals thereto.*

3. *To own or otherwise establish set up, manage, run and operate through partnership, joint venture or any other mode, training; data processing and information centers and/ or educational Institutions for imparting education, coaching and training in information Technology, Software Solutions, networking, data processing, telecommunication and other allied activities in the fields of computer software, hardware, marketing, management and business related, in India and abroad either through education centers and/or through postal means or through electronic i.e. e-learning services or other media including but not limited to publishing books, magazines, hosting websites for services of content development and support, animation, learning support, learning management systems and knowledge services and other related activities and to carry on the business of data digitalization by digitizing physical and manual records such as text images, videos and audio to carry on the business in India and abroad for commercial as well as non-commercial users.*

4. *To carry on the business of providing outsourcing services for all processors, sub processors, transactions, activities and all other work performed in various industries within India and across the world including but not limited to those process or sub processes that are enabled by information technology data, voice or video collection and processing, call centre services including in bound and out bound calling services of all kinds, technical support, managed data centre, managed technical centre, training centre, web support back office, business or financial analysis, scientific analysis, research work and analysis, conduct surveys, compile, feed, process, covert any test any kind of data for both analog and digital including CAD/CAM, make reports, specifications, estimates, studies and feasibility reports, storage, disaster recovery, accounting, pay roll, inventory management, customer relationship management, enterprises resources planning and to render computer services for commercial users and to develop software and supply information technology solutions including turnkey solutions, end-to-end solutions, systems integration, programme and development of software, computer hardware, peripherals, networking.*

5. *To operate technology data processing centre or providing management information, analysis, development accounting and business information, and providing data to Corporate, Institutions, individuals in India and abroad to carry on the business of gathering compiling, processing analyzing, distributing, selling, publishing data and information and services and*

- providing access to information regarding financial operations and management of financial services, investment services, business and commercial operations, financial status, credit worthiness and rating consumer responses and management of business of all kinds and descriptions and to provide other services through either computer aided or telephone or any other mode in India or anywhere in world and to carry on the business of providing infrastructure Management services and Application Service provider (ASP) services or commercial usage to Corporates, institutions, individuals, or other legal entity whether in India and abroad.*
6. *To carry on in India or abroad whether independently or in partnership with any other person, the business to provide, promote, develop, design, establish, setup, maintain, organize, undertake, manage, operate, run, market, purchase, sell, distribute, resell, import, export and carry on the business of all types/kinds of electronic and/or virtual payment systems services including integrated software and applications, e-wallets, mobile-wallets, cash card, stored value instruments, payment gateways services, prepaid and/or postpaid payment instruments payment systems including open/ closed/semi-closed systems payment instruments, including all kinds of payment services in any manner whatsoever through offline transaction, internet payment transactions or e-commerce payment transactions in banking, credit card payments, debit card payments, smart card payments, prepaid card payments, electronic cash card payments, electronic cashless payment systems, e-wallet payment systems, mobile payment systems, merchant payment transactions, utility payment transactions, digital COD(Cash on Delivery) payments, remittance transactions, credit reporting services and online search engine services, transaction switching and monitoring and transaction analytics of online financial and non-financial transactions through ATM, POS, Mobile Channels or any other channel available in future, internet, e-commerce, m-Commerce or such other system, mechanism, medium or technology as may be available invented, created from time to time in India or elsewhere, to scale up and to allow seamless integration across multiple business entities spread across various geographical locations to ensure a safe, secure and efficient electronic payment system and to act as marketing agents, consultants, financiers, advisors, technicians for promoting and servicing of different types of payment systems such as closed, semi-closed and open systems relating to Payments and Settlement Services and to take over or give franchises of the same.*

7. To provide services, management and consultancy in the field of prepaid and/or postpaid payment instruments services, electronic and virtual payment systems, transaction processing, and to act as dealers, distributors, agents, representative of Indian and foreign concerns/persons operating in the line of prepaid, postpaid and other payment system services, and allied activities related thereto.”

9.3. Pursuant immediately to the increase of authorized share capital and the addition of main objects as envisaged above, the Memorandum of Association of Transferee Company shall automatically stand amended and altered accordingly.

9.4. Transferee Company shall file the amended copy of its Memorandum of Association and Articles of Association with the Appropriate Authority within a period of 30 days (or within such time as prescribed under Applicable Law) from the Effective Date and the Appropriate Authority shall take the same on record.

9.5. It is hereby clarified that the consent of the shareholders of Transferee Company to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13, Section 14, Section 61, Section 64 or any other applicable provisions of the Act, would be required to be separately passed.

10. Accounting Treatment

Upon the Scheme becoming effective, the amalgamation of the Transferor Companies with the Transferee Companies Company will be accounted for in the following manner:

10.1. The amalgamation shall be accounted for an “Amalgamation in the nature of Business Combination of entities under common control”. Thereby the accounting treatment, as applicable, shall be in accordance with Appendix C of IND AS 103.

10.2. The accounting treatment will be as under:

- a. upon coming into effect of this Scheme, for the purpose of accounting for and dealing with the value of the assets, liabilities, reserves, etc., as dealt with herein below in the books of account of Transferee Company, unaudited financial statements of Transferor Companies as on the close of business of the date immediately preceding the Appointed Date shall be prepared;
- b. all the assets, liabilities and reserves of Transferor Companies as recorded in their respective financial statements referred to in sub-clause (i) above shall be recorded in the books of accounts of Transferee Company as such, subject to suitable adjustments being made to ensure uniformity of accounting policies, if any; which shall be in compliance with the accounting standards prescribed in this regard;
- c. the amount of any inter-company balances between Transferor Companies and Transferee Company, appearing in the books of account of Transferee Company or Transferor Companies, as the case may be, as on Appointed Date, shall stand cancelled without any further act or deed. For the avoidance of doubt, it is hereby clarified that with effect from Appointed Date, there will be no accrual of interest or other charges in respect of any such loans, advances and other obligations.

10.3. The amount recorded in books of Transferee Company as investments in Transferor Companies shall stand cancelled. Surplus or deficit, if any, arising as a result of amalgamation, shall be transferred to capital reserve on amalgamation. The treatment accorded shall be in compliance with Appendix C of IND AS 103.

10.4. The identity of the reserves of Transferor Companies, if any, and to the extent deemed appropriate by the Board of Directors of Transferee Company, shall be preserved and they shall appear in the financial statements of Transferee Company in the same form and manner, in which they appeared in the financial statements of the Transferor Companies, as on the date

immediately preceding the Appointed Date. Accordingly, if prior to this Scheme becoming effective there is any reserve in the financial statements of an Transferor Companies, which are available for distribution to shareholders, whether as bonus shares or dividend or otherwise, the same would continue to remain available for such distribution by Transferee Company, subsequent to this Scheme becoming effective.

- 10.5. The amount lying in the balance of the “profit and loss account” in the books of account of the Transferor Companies shall be added to or set-off from, as the case may be, the corresponding balance appearing in the financial statements of Transferee Company.
- 10.6. Transferee Company shall make suitable entries in its books to give effect to all transactions of Transferor Companies in respect of assets, liabilities, reserves, income and expenses, from the Appointed Date to the Effective Date.
- 10.7. In case of any differences in accounting policies followed by Transferor Companies from that of Transferee Company, suitable adjustments ought to be made, to the extent material and practicable, so as to ensure that the financial statements of Transferee Company reflect the financial position on the basis of consistent accounting policies.
- 10.8. Notwithstanding the above, the Board of Directors of Transferee Company, in consultation with its statutory auditors, is authorized to account any of the balances in any other manner, if such accounting treatment is considered more appropriate. The same shall be in compliance with IND AS 103 notified by the Ministry of Corporate Affairs.

11. Saving of Concluded Transactions

- 11.1. The transfer of Business and Undertaking of the Transferor Companies as envisaged above shall not affect any transaction or proceedings already concluded by the Transferee Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the Transferor Companies accept and adopts all acts, deeds and things done and

executed by the Transferee Company in respect thereto as done and executed by Transferee Company on behalf of itself.

12. Dissolution of Transferor Companies

- 12.1. Upon this Scheme becoming effective, Transferor Companies shall without any further act or deed, stand dissolved without being wound up without any further act or deed by the parties. The name of Transferor Companies shall be dissolved and removed by the Registrar of Companies. Transferee Company shall make necessary filings in this regard.

PART-III: GENERAL TERMS AND CONDITIONS

13. Provisions Applicable to the Scheme

13.1. Upon the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred on the Appointed Date and become effective and operative in the order mentioned hereunder:

- a. amalgamation of Transferor Companies into and with the Transferee Company in accordance with Part II of the Scheme;
- b. combination of the authorised share capital of the Transferor Companies and the Transferee Company and reclassification of the authorised share capital of the Transferee Company as provided in Paragraph 9.2 of Part II of this Scheme; and
- c. amendment of the main objects of the Transferee Company as provided in Paragraph 9.2 of Part II of this Scheme;
- d. Dissolution of the Transferor Companies as provided in Paragraph 12.1 of Part- II of this Scheme.

14. Application to Tribunal

14.1. The Transferor Companies and the Transferee Company shall make all applications/ petitions under sections 230 and 232 and other applicable provisions of the Act to the Tribunal for sanctioning of this Scheme and obtain all approvals as may be required under Applicable Law.

15. Listing Agreement and SEBI Compliances

- 15.1. Since the Transferee Company is a listed company, this Scheme is subject to the compliances of all the requirements under the Listing Regulations and all statutory directives of SEBI insofar as they relate to sanction and implementation of the Scheme.
- 15.2. Per the Regulation 37(6) of the Listing Regulations relaxation has been provided in relation to the requirement of obtaining prior approval or no objection/ observation letter of the Stock Exchanges and SEBI in case of merger of wholly owned subsidiary with its holding company. The draft Scheme shall be filed with the Stock Exchanges for disclosure purposes in compliance with the above Regulation.

16. Conditionality of the Scheme

Subject to the provisions of this Scheme, this Scheme shall become effective on the last of the following dates ("**Effective Date**"):

- 16.1. The Scheme as sanctioned by the Tribunal under Sections 230 to 232 of the Act and certified copies of such Orders of the Tribunal sanctioning the Scheme being filed with the Registrar of Companies by the Transferee Company and the Transferor Companies, as may be applicable.
- 16.2. The receipt of the requisite, consent, approval or permission of any Government, statutory or regulatory authority which under Applicable Law may be necessary for the implementation of this Scheme.

17. Modification or Amendments to the Scheme

- 17.1. Transferor Companies and the Transferee Company, through their respective Board of Directors (which shall include any committee or person authorized by the said Boards in this regard) may assent from time to time, on behalf of all persons concerned, to any extension, modifications which either the Board of Directors of Transferor Companies and the Transferee Company, deem

fit and/ or approved/ imposed by the creditors/ members or any other authority, amendments to the Scheme (including modification in the Appointed Date) or to any conditions or limitations that the Tribunal, and /or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. Transferor Companies and the Transferee Company, acting through their respective authorized representatives, be and are hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

- 17.2. For the purpose of giving effect to this Scheme or modifications or amendments thereof or additions thereto, the Board of Directors of Transferor Companies and the Transferee Company, including any person(s) or committee as may be authorized by the respective Board of Directors on their behalf may give and are hereby authorized to determine and give all such directions as are necessary and such determination or directions, as the case may be, shall be binding on all the parties in the manner as if the same were specifically incorporated in this Scheme.

18. Revocation or Withdrawal of the Scheme

- 18.1. Subject to the order of the Tribunal, the Board of Directors of the Companies shall be entitled to revoke, cancel, withdraw and declare this Scheme to be of no effect at any stage if: (i) this Scheme is not being sanctioned by the Tribunal or if any of the consents, approvals, permissions, resolutions, agreements, sanctions and conditions required for giving effect to this Scheme are not obtained or for any other reason; (ii) in case any condition or alteration imposed by the Tribunal, shareholders/ creditors of the Companies or any other authority is not acceptable to the Board of Directors of the Companies; (iii) the Board of Directors of the Companies are of the view that the coming into effect of this Scheme in terms of the provisions of this Scheme or filing of the drawn up order with any Governmental Authority could have adverse implication on all or any of Transferor Companies and the Transferee Company; (iv) any change in Applicable Law; (v) owing to reasons as otherwise deemed fit by the Board of Transferor Companies and the Transferee Company. On revocation, withdrawal, or cancellation, this Scheme shall stand revoked,

withdrawn, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se between the companies or their respective shareholders or creditors or employees or any other person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the Applicable Law and in such case, each party shall bear its own costs unless otherwise mutually agreed

- 18.2. In the event of any inconsistency between any of the terms and conditions of any earlier arrangement between the Companies, and/or their respective shareholders and/or creditors, and the terms and conditions of the Scheme, the latter shall prevail.

19. Severability

- 19.1. If any part of this Scheme is determined to be invalid, illegal or unenforceable by the Tribunal or any Court(s) of competent jurisdiction or is otherwise found to be unworkable for any reason whatsoever, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme, and the remainder of the Scheme shall remain in full force and effect as if such provision (or part thereof) had not originally been contained in the Scheme. Further, if deletion of such part of the Scheme shall cause this Scheme to become materially adverse to the Transferor Companies and/ or Transferee Company, then in such case the Companies shall attempt to bring about a modification in this Scheme, that will best preserve for the Companies the benefits and obligations of this Scheme, including but not limited to such part.

20. Costs, Charges and Expenses

- 20.1. All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in connection with the Scheme and matters incidental thereto, shall be on account of and borne by Transferee Company.

21. Miscellaneous

- 21.1. Any doubt or difference or issue between the parties hereto or any of their shareholders, creditors, employees and/or persons entitled to or claiming any right to any equity shares in the Transferee Company or any equity shares in the Transferor Companies, as to the construction thereof or as to any account, valuation to be taken or made of any asset or liability transferred to the Transferee Company or as to anything else contained in or relating to or arising out of this Scheme, shall be decided jointly by the Boards of the Transferor Companies and the Transferee Company, whose decision shall be final and binding on all concerned.
- 21.2. In the event of this Scheme not becoming effective, this Scheme shall become null and void and no rights or liabilities whatsoever shall accrue to, or be incurred inter-se by, the parties or their respective shareholders or creditors or employees or any other person.
