

**SCHEME OF AMALGAMATION
BETWEEN
PVP MEDIA VENTURES PRIVATE LIMITED
AND
PVP CINEMA PRIVATE LIMITED
AND
PICTUREHOUSE MEDIA LIMITED
AND
PVP VENTURES LIMITED
AND THEIR RESPECTIVE SHAREHOLDERS**

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

1. PREAMBLE

This Scheme (as defined hereafter) is presented under Sections 230 to 232 and other relevant provisions of the Act (as defined hereinafter) for amalgamation of (a) PVP Cinema Private Limited with Picturehouse Media Limited and (b) PVP Media Ventures Private Limited and Picturehouse Media Limited with PVP Ventures Limited; and for matters consequential, supplemental, and/or otherwise integrally connected therewith.

2. DESCRIPTION OF THE COMPANIES

2.1. **PVP MEDIA VENTURES PRIVATE LIMITED** (hereinafter referred to as "Transferor Company 1"), a private limited company, was incorporated on the 13th of May, 2013, in the state of Tamil Nadu under the Companies Act, 1956. The Corporate Identity Number is U92120TN2013PTC091100. The Transferor Company 1

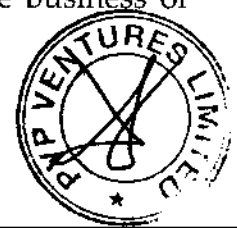


is engaged in the business of Media & entertainment. The registered office of PVP Media Ventures Private Limited. is situated at KRM Centre, 9th Floor, Door No. 2 Harrington Road, Chetpet, Chennai – 600031, Tamil Nadu. The Transferor Company 1 is a Wholly Owned Subsidiary of the Transferee Company.

2.2. PVP CINEMA PRIVATE LIMITED (hereinafter referred to as the “**Transferor Company 2**”), a private limited company, was incorporated on the 30th of August, 2004, in the state of Tamil Nadu under the Companies Act, 1956. The Corporate Identity Number is U51420TN2004PTC054088. The Transferor Company 2 is engaged in the business of development of Cinema Malls and Real Estate. The registered office of PVP Cinema Private Limited is situated at KRM Centre, 9th Floor, Door No. 2 Harrington Road, Chetpet, Chennai -600031, Tamil Nadu. The Transferor Company 2 is a Wholly Owned Subsidiary of the Transferor Company 3 i.e., Picturehouse Media Limited.

2.3. PICTUREHOUSE MEDIA LIMITED (hereinafter referred to as “**Transferor Company 3**”), a listed Company, was incorporated on the 02nd of February, 2000, under the name and style of “TELEPHOTO ENTERTAINMENT LIMITED” in the state of Tamil Nadu under the Companies Act, 1956 and is presently known as PICTUREHOUSE MEDIA LIMITED. The Corporate Identity Number is L92191TN2000PLC044077. The Transferor Company 3 is engaged in the business of Media and Entertainment. The registered office of Picturehouse Media Limited is situated at KRM Centre, 9th Floor, Door No.2, Harrington Road, Chetpet, Chennai – 600 031, Tamil Nadu. The Transferee Company holds 49.56% of the shareholding of the Transferor Company – 3. The Equity shares of the Transferor Company 3 are listed in BSE Limited.

2.4. PVP VENTURES LIMITED (hereinafter referred to as “**Transferee Company**”), a listed company, was incorporated on the 1st January, 1991, in the State of Tamil Nadu under the Companies Act, 1956. The Corporate Identity Number is L72300TN1991PLC020122. The Transferee Company is engaged in the business of



real estate. The registered office of PVP Ventures Limited is situated at KRM Centre, 9th Floor, Door No. 2 Harrington Road, Chetpet Chennai -600031, Tamil Nadu. The Equity shares of the Transferee Company are listed in BSE Limited and National Stock Exchange of India Limited. In addition, the Transferee Company has issued Non- Convertible Debentures, which are also listed on BSE Limited.

3. OBJECTIVE OF THE SCHEME:

By the present Scheme, it is proposed that the following Companies shall be merged, in the following sequence-

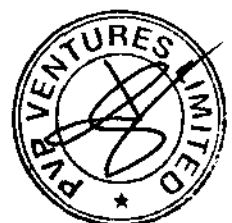
- a) Transferor Company 2 will merge with Transferor Company 3 (Stage A)
- b) Thereafter, Transferor Companies 1 & 3 will merge with the Transferee Company (Stage B)

The merged entity i.e. the Transferee Company will function under the name and style of PVP Ventures Limited.

4. RATIONALE AND PURPOSE FOR THE SCHEME

The reasons and rationale underlying the Scheme, which would make it beneficial for all the companies involved, and their respective shareholders are as follows:

- a. Being companies forming part of the same group, with common shareholding and directorship, amalgamation of these companies would enable consolidation and lead to a more efficient utilization of capital, and create a consolidated base for the potential future growth of the amalgamated entity.
- b. The Amalgamation will result in streamlining the management structure with one listed Company in the group which is vested with all the operations, leading to better administration, rationalization, standardization, simplification of business processes, greater economies of scale & reduction of



cost for more focused operational efforts, , reduction in overheads, statutory and regulatory compliances and other expenses (which presently have to be duplicated in different entities), thus improving various operating parameters, simplifying the working and enabling the carrying on of the business in a more efficient, streamlined, and organized fashion.

- c. The proposed amalgamation will result in administrative and operational rationalization, organizational efficiencies, reduction in overheads and other expenses and optimal utilization of various resources. It will prevent cost duplication that can improve financial efficiencies and the resultant operations would be substantially cost-efficient. Consequently, the Transferee Company will be able to achieve better cash flows. The synergies created by the amalgamation would increase operational efficiency and integrate business functions.
- d. The Amalgamation will result in simplification of the Group structure of PVP.
- e. The Amalgamation will streamline the decision making process, and help in better utilization of human resources.
- f. The Scheme of Amalgamation will benefit the shareholders, creditors, employees and other stakeholders of all the Companies involved.

5. TREATMENT OF THE SCHEME FOR THE PURPOSE OF THE INCOME-TAX ACT, 1961

This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) of the Income-Tax Act 1961. If any of the terms or provisions of this Scheme is/are found, or interpreted to be inconsistent with the provisions of Section 2(1B) of the Income-Tax Act, 1961 at a later date including as a result of an amendment of law or for any other reason whatsoever, the provisions of Section 2(1B) of the Income-Tax, 1961 shall prevail,



and the Scheme shall stand modified accordingly, to the extent determined necessary to comply with the provisions of Section 2(1B) of the Income-Tax Act, 1961.

6. PARTS OF THE SCHEME

6.1 The Scheme is divided into the following parts:

- Part I – Definitions & Interpretation
- Part II – Capital Structure
- Part III – Amalgamation of the Transferor Company 2 with Transferor Company 3
- Part IV – Amalgamation of the Transferor Company 1 and Transferor Company 3 with the Transferee Company.
- Part V – Entitlement of shareholders of Transferor Companies & Increase in the Authorized Capital of the Transferee Company
- Part VI – General Terms & Conditions



PART - I

DEFINITIONS & INTERPRETATION

1.1 DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meanings as mentioned herein below:

- (a) **"Accounting Standards"** means the accounting standards issued under the supervision of the Accounting Standards Board and notified by the Ministry of Corporate Affairs from time to time;
- (b) **"Act" or "the Act"** means the Companies Act, 2013, and rules made thereunder and shall include any statutory modifications, re-enactment or amendments thereto for the time being in force as may be applicable;
- (c) **"Applicable Laws"** means any applicable law, including a statute, rule, regulation, ordinance, requirement, directions, guidelines, announcement or other binding action or requirement of any government or quasi government; department agency or instrumentality of any government thereof, any Court or Tribunal, and shall include in particular the Regulations framed by the Securities & Exchange Board of India ['SEBI'], from time to time.
- (d) **"Appointed Date"** means opening of business hours on the 1st of April, 2018, in reference to Stage A, and close of business hours on the 1st of April, 2018, in reference to Stage B, or any other date(s) as may be approved/ directed/ fixed by the Tribunal;
- (e) **"Board of Directors" or "Board"** shall mean the Board of Directors or any committee thereof of the Transferor Companies and Transferee Company, as the context requires;



- (f) **"Court" or "Tribunal"** means the National Company Law Tribunal ("NCLT") or the National Company Law Appellate Tribunal ("NCLAT") as constituted and authorized as per the provisions of the Companies Act, 2013 for approving any scheme of amalgamation, compromise or reconstruction of companies under Sections 230 to 240 of the Companies Act, 2013, and shall include *inter-alia* the Benches of the NCLT having jurisdiction over the respective Transferor Companies, and the Transferee Company;
- (g) **"Book Value(s)"** shall, for the purpose of this Part, mean the value(s) of the assets and liabilities of the Transferor Companies, as appearing in their books of accounts, at the close of the business as on the day immediately preceding the Appointed Date and excluding any value arising out of revaluation;
- (h) **"Companies"** means the Transferor Companies and the Transferee Company collectively;
- (i) **"Effective Date"** means the date on which the certified copy of the order of the NCLT sanctioning this Scheme of Amalgamation is filed with the respective Registrar of Companies, having the necessary territorial jurisdiction, by the Transferor Companies and the Transferee Company, and shall, in the event of such filings not taking place on the same date, be the date on which the last of such filings is effected. Any reference in the Scheme to **"On the Scheme becoming effective"** or **"Upon the Scheme becoming effective"** or **"Effectiveness of the Scheme"** shall be construed as references to the "Effective Date."
- (j) **"Governmental Authority"** means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or



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- their business, all secured and unsecured debts, liabilities, duties and obligations and all the assets, properties, rights, titles and benefits, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to land and building (whether owned, leased, licensed), all fixed and movable plant and machinery, vehicles, fixed assets, work in progress, current assets, investments, reserves, provisions, funds, licenses, registrations, accreditations to trade and industrial bodies, leases, licenses, tenancy rights, premises, ownership flats, hire purchase and lease arrangements, lending arrangements, benefits of security arrangements, computers, office equipment, telephones, telexes, facsimile connections, communication facilities, equipment and installations and utilities, electricity, water and other service connections, benefits of agreements, contracts and arrangements, powers, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits, reserves, provisions, advances, receivables, deposits, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, Software Licenses, Domain / Websites etc., in connection with or relating to the Transferor Companies and other claims and powers, of whatsoever nature and wheresoever situated belonging to, or in the possession of, or granted in favor of, or enjoyed by the Transferor Companies, as on the Appointed Date.
- all employees of the Transferor Companies engaged in or in relation to the Transferor Companies as on the Effective Date and whose services are transferred to the Transferee Companies and contributions, if any, made towards any provident fund, employees state insurance, gratuity



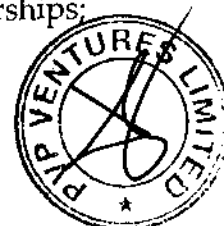
fund, staff welfare scheme or any other special schemes, funds or benefits, existing for the benefit of such Employees.

- All legal [whether civil or criminal], taxation or other proceedings or investigations of whatsoever nature [including those before any Governmental Authority] that pertain to the Transferor Companies, initiated by or against the Transferor Companies or proceedings or investigations to which the Transferor Companies are a party, including arbitration proceedings, whether pending as on the Appointed Date or which may be instituted any time after the Appointed Date, but before the Effective Date.
- All rates, taxes, duties, cess etc., that are allocable, or referable or related to the Transferor Companies, including all or any refunds, interest due thereon, and all credits, refunds, interest and claims etc., relating thereto.
- All books, records, files, papers, information, databases, catalogues, quotations, advertising materials, lists of present and former credit, and all other books and records, whether in physical or electronic form, of the Transferor Companies.

1.2 INTERPRETATIONS:

In this Scheme, unless the context otherwise requires:

- (a) references to "upon this Scheme becoming effective" or "effectiveness of this Scheme" shall mean the Effective Date of the Scheme;
- (b) references to the singular include a reference to the plural and *vice-versa* and reference to any gender includes a reference to all other genders;
- (c) references to persons shall include individuals, bodies corporate [wherever incorporated or unincorporated], associations and partnerships;



- (d) headings are inserted for the ease of reference and shall not affect the construction or interpretation of the Scheme;
- (e) the Schedules to the Scheme shall form an integral and inseparable part of this Scheme;
- (f) references to the words "including", "*inter-alia*" or any other similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;
- (g) 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, including any statutory modifications or re-enactments thereof from time to time;
- (h) Any reference to any section of the Act shall be deemed to be a reference to that Section of the Companies Act, 2013 and any amendments thereto.



PART II**CAPITAL STRUCTURE**

2.1 The authorized, issued, subscribed, and paid up equity share capital of the Transferor Company 1 – PVP Media Ventures Private Limited as on 31.03.2018 is

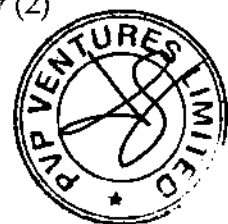
Particulars	As at 31 st March 2018	
	Number	Amount (In Rs.)
<u>a. Authorized Equity Shares Capital</u>		
Equity Shares of Rs. 10/- each	1,00,000	10,00,000
<u>b. Issued, Subscribed and Paid up Equity Shares Capital</u>		
Equity Shares of Rs. 10/- each	19,000	1,90,000

Subsequent to 31st March 2018, there has been no change in the authorized, issued, subscribed and paid-up capital of the Transferor Company (1)

2.2 The authorized, issued, subscribed, and paid up share capital of the Transferor Company 2 – PVP Cinema Private Limited as on 31.03.2018 is

Particulars	As at 31 st March 2018	
	Number	Amount (In Rs.)
<u>a. Authorized Equity Shares Capital</u>		
Equity Shares of Rs. 10/- each	50,000	5,00,000
<u>b. Issued, Subscribed and Paid up Equity Shares Capital</u>		
Equity Shares of Rs. 10/- each	30,000	3,00,000

Subsequent to 31st March 2018, there has been no change in the authorized, issued, subscribed and paid-up capital of the Transferor Company (2)



2.3 The authorized, issued, subscribed, and paid up share capital of the Transferor Company 3 – Picturehouse Media Limited as on 31.03.2018 is

Particulars	As at 31 st March 2018	
	Number	Amount (in Rs.)
<u>a. Authorized Equity Shares Capital</u>		
Equity Shares of Rs. 10/- each	8,00,00,000	80,00,00,000
<u>b. Issued, Subscribed and Paid up Equity Shares Capital</u>		
Equity Shares of Rs. 10/- each	5,22,50,000	52,25,00,000

Subsequent to 31st March 2018, there has been no change in the authorized, issued, subscribed and paid-up capital of the Transferor Company (3)

2.4 The authorized, issued, subscribed, and paid up share capital of the Transferee Company – PVP Ventures Limited as on 31.03.2018 is

Particulars	As at 31 st March 2018	
	Number	Amount (in Rs.)
<u>a. Authorized Equity Shares Capital</u>		
Equity Shares of Rs. 10/- each	30,00,00,000	3,00,00,00,000
<u>b. Issued, Subscribed and Paid up Equity Shares Capital</u>		
Equity Shares of Rs. 10/- each	24,50,52,701	2,45,05,27,010

Subsequent to 31st March 2018, there has been no change in the authorized, issued, subscribed and paid-up capital of the Transferee Company.



PART III**STAGE A****AMALGAMATION OF THE TRANSFEROR COMPANY 2 WITH THE
TRANSFEROR COMPANY 3****3.1 TRANSFER AND VESTING OF THE TRANSFEROR COMPANY 2:**

3.1.1 Upon the coming into effect of this Scheme, and with effect from the Appointed Date, the Undertaking of the Transferor Company 2, shall, together with all of its respective movable assets, investments, licenses, benefits, entitlements, incentives, concessions, contracts, intellectual property, employees, proceedings, rates, duties, cess, books & records as also the liabilities, shall subject to the provisions of Paragraph 3.2 hereof in relation to the mode of vesting, without any further act or deed, in accordance with Sections 230 to 232 of the Act and all other provisions of Applicable Laws, be transferred to and vested in and shall be deemed to have been transferred to and vested in the Transferor Company 3, as a going concern.

3.1.2 Without prejudice to the generality of the foregoing clause, upon the Scheme becoming effective, on and from the Appointed Date:

3.1.3 Movable Assets, Immovable Properties & Investments:

(a) In respect of such assets of the Transferor Company – 2 as are moveable in nature or are otherwise capable of transfer by delivery of possession, payment or by endorsement and delivery, the same shall be transferred to and vested in Transferor Company – 3 and shall become the property of the Transferor Company – 3. The vesting pursuant to this paragraph shall be deemed to have occurred by manual delivery or endorsement, as appropriate to the property being vested and the title to the property shall be deemed to have been transferred accordingly, without requiring execution of any deed or instrument of conveyance for the same.

(b) In respect of such assets of the Transferor Company – 2 as are or represent investments registered and/or held in any form by or beneficial interest wherein is owned by the Transferor Company 2, the same shall stand



transferred/transmitted to and vested in the Transferor Company – 3, together with all rights, benefits, and interest therein or attached thereto, without any further act or deed, and thereupon the Transferor Company 2 shall cease to be the registered and/or the beneficial owner of such investments. The Transferor Company 2 shall be deemed to be holding such investments for and on behalf of, and in trust for and for the benefit of the Transferor Company - 3 and all profits or dividends and other rights or benefits accruing/paid/distributed on such investments and all taxes thereon, or losses arising or expenses incurred relating to such investments, shall, for all intent and purposes, be treated as the profits, dividends, rights, benefits, taxes, losses, or expenses, as the case may be, of the Transferor Company 3.

- (c) In respect of such of the moveable assets belonging to the Transferor Company 2 other than those specified in paragraphs 3.1.2(a) and (b) above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or value to be received, bank balances and deposits, if any, the same shall [notwithstanding whether there is any specific provision for transfer of credits, assets or refunds under the Applicable Laws, wherever applicable], without any further act, instrument or deed by the Transferor Company 2 or the Transferor Company 3 or the need for any endorsements, stand transferred from the Transferor Company 2, to and in favor of the Transferor Company 3. Any security, lien, encumbrance, or charge created over any assets in relation to the loans, debentures or borrowings or any other dues of the Transferor Company 2, shall, without any further act or deed, stand transferred to the benefit of the Transferor Company 3 and the Transferor Company 3 will have all the rights of the Transferor Company 2 to enforce such security, lien, encumbrance or charge, by virtue of this Scheme.

3.1.4 Licenses

All licenses relating to the Transferor Company 2 shall stand transferred to and vested in the Transferor Company 3, without any further act or deed by the Transferor Company 2 or the Transferor Company 3 and be in full force and effect in favor of the Transferor Company 3, as if the same, were originally given



to, issued to or executed in favor of the Transferor Company 3 and the Transferor Company 3 shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferor Company 3.

3.1.5 **Benefits, Entitlements, Incentives and Concession**

All benefits, entitlements, incentives and concessions under incentive schemes and policies that the Transferor Company 2 is entitled to, including under GST and Income Tax laws, shall to the extent statutorily available and along with associated obligations, stand transferred to and vested in and be available to the Transferor Company 3, as if the Transferor Company 3 was originally entitled to all such benefits, entitlements, incentives and concessions.

3.1.6 **Contracts**

- (a) All contracts, all agreements & documents entered into pursuant to the same, including without limitation, documents & agreements relating to creation of security, subsisting or having effect immediately before the Effective Date, shall stand transferred to and vested in the Transferor Company 3 and be in full force and effect in favor of the Transferor Company 3 and may be enforced by or against it as fully and effectually as if, instead of the Transferor Company 2, the Transferor Company 3 had been a party thereto or beneficiary or obligee thereunder.
- (b) It shall not be necessary to obtain the consent of any third party or other person, who is a party to any such contract or arrangement to give effect to the provisions of this paragraph.

3.1.7 **Proceedings**

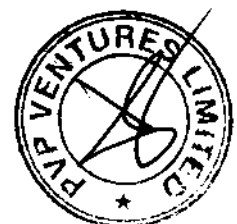
- (a) With effect from the Appointed Date and upon the Scheme becoming effective, all suits, actions and proceedings of whatsoever nature by or against the Transferor Company 2, whether by the Transferor Company 2, or any other party in relation to the Transferor Company 2, on the Effective Date, shall be continued and enforced by or against the Transferor Company 3.



- (b) Upon the Scheme becoming effective, the name of the Transferor Company 2 shall stand substituted by the name of the Transferor Company 3 in any pending proceedings and the Transferor Company 3 shall be entitled to continue the proceedings, in its name, from the stage at which the proceedings stand, as on the Effective Date.
- (c) The Transferor Company 3 undertakes to have all legal or other proceedings initiated by or against the Transferor Company 2 in respect of matters referred above transferred into its name and to have the same continued, prosecuted and enforced by or against the Transferor Company 3 to the exclusion of the Transferor Company 2.

3.1.8 Liabilities, Debts, Obligations & Security:

- (a) With effect from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description relating to the Transferor Company 2 shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to the Transferor Company 3, so as to become from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferor Company 3 and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub-clause.
- (b) Where any of the liabilities and obligations/assets attributed to the Transferor Company 2 on the Appointed Date have been discharged/ sold by the Transferor Company 2 after the Appointed Date and prior to the Effective Date, such discharge/sale shall be deemed to have been for and on behalf of the Transferor Company 3.
- (c) Any payment or discharge of any liabilities, debts or obligations pertaining to the Transferor Company 2 by the Transferor Company 3 shall be deemed to have been made for and on behalf of the Transferor Company 2, and shall constitute a valid discharge.



- (d) This Scheme shall not operate to enlarge or extend the security for any of the liabilities of the Transferor Company 2 and the Transferor Company 3 shall not be obliged to create any further or additional security therefor, after the Effective Date, unless otherwise agreed to by the Transferor Company 3.
- (e) In so far as the existing security in respect of the Liabilities is concerned, such security shall, without any further act, instrument or deed be modified and shall be extended to, and shall operate only over the assets forming part of the Undertakings of the Transferor Company 2 which have been charged and secured, and subsisting as on the Effective Date, in respect of the Liabilities. Provided that if any of the assets forming part of the Undertakings of the Transferor Company 2 have not been charged or secured in respect of the Liabilities, such assets shall remain unencumbered and the existing security referred to above shall not be extended to, and shall not operate over such assets.

3.1.9 Tax Treatment

All taxes, rates, duties, fees, cess etc., that are allocable, referable or related to the Transferor Company 2 and payable, whether due or not, from the Appointed Date, including all advance tax payments, tax deducted at source, tax liabilities, tax obligations or any refunds, credits and claims shall, for all intent and purposes, be treated as the liability, obligations or refunds, credit and claims, as the case may be, of the Transferor Company 3.

3.1.10 Books and Records

All books, records, files, papers, catalogues, quotations, advertising materials, if any, lists of present and former clients, and all other books and records, whether in physical or electronic form, of the Transferor Company 2, to the extent possible and permitted under Applicable Laws, be handed over by them to the Transferor Company 3.



3.2 CONDUCT OF BUSINESS TILL THE EFFECTIVE DATE:

With effect from the Appointed Date and up to and including the Effective Date:

- 3.2.1 The Transferor Company 2 shall carry on, and be deemed to have been carrying on, all business activities and shall hold and stand possessed, and shall be deemed to have held and stood possessed, of all the assets, rights, title, interest, authorities, contracts, investments, decisions for and on account of, and in trust for, the Transferor Company 3.
- 3.2.2 All profits or income or taxes, including but not limited to income tax, fringe benefit tax, advance taxes, tax deducted at source by or on behalf of the Transferor Company 2, minimum alternate tax credit, dividend distribution tax, securities transaction tax, taxes withheld/ paid in a foreign country, wealth tax, sales tax, value added tax, excise duty, service tax, customs duty, refund, reliefs, etc., accruing or arising to the Transferor Company 2, or losses arising or expenditure incurred by it, on and from Appointed Date upto the Effective Date, shall for all purposes be treated as, and be deemed to be treated as the profits or income or losses or expenditure or the taxes of the Transferor Company 3.
- 3.2.3 The Transferor Company 2 shall carry on its business activities with proper prudence and diligence and shall not, without prior written consent of the Transferor Company 3, alienate, charge or otherwise deal with or dispose off any of its business undertaking(s) or any part thereof (except in the ordinary course of business or pursuant to any pre-existing obligations undertaken by the Transferor Company 2 prior to the Appointed Date).
- 3.2.4 The Transferor Company 3 shall also be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government, and all other agencies, departments and statutory authorities concerned, wherever necessary, for such consents, approvals and sanctions which the Transferor Company 3 may require including the registration, approvals, exemptions, reliefs, etc., as may be required / granted under any Applicable Laws for time being in force for carrying on business by the Transferor Company 3.



- 3.2.5 The Transferor Company 2 shall not make any modification to its capital structure, either by an increase (by issue of rights shares, bonus shares, convertible debentures or otherwise), decrease, reclassification, sub-division or reorganisation or in any other manner, whatsoever, except by mutual consent of the Board of Directors of the Transferor Company 2 and of the Transferor Company 3.
- 3.2.6 All assets acquired, leased or licensed, benefits, entitlements, incentives and concessions granted, contracts entered into, liabilities incurred and proceedings initiated or made party to, between the Appointed Date and the Effective Date by the Transferor Company 2 shall be deemed to be transferred to and vested in the Transferor Company 3. For avoidance of doubt, where any of the Liabilities as on the Appointed Date [deemed to have been transferred to the Transferor Company 3] have been discharged by the respective Transferor Company 2 on or after the Appointed Date, but before the Effective Date, such discharge shall be deemed to have been for and on behalf of the Transferor Company 3 for all intent and purposes and under Applicable Laws.
- 3.2.7 With effect from the Effective Date, the Transferor Company 3 shall carry on and shall be authorized to carry on the business of the Transferor Company 2 and till such time as the name of the account holder in the bank accounts of the Transferor Company 2 is substituted by the bank in the name of the Transferor Company 3. The Transferor Company 3 shall be entitled to operate such bank accounts of the Transferor Company 2, in its name, in so far as may be necessary.
- 3.2.8 To the extent possible, pending sanction of this Scheme, the Transferor Company 2 or the Transferor Company 3 shall be entitled to apply to the relevant Governmental Authorities and other third parties, concerned, as may be necessary under any Applicable Laws or contract for transfer or modification of such consents, approvals and sanctions which the Transferor Company 3 may require to own and carry on the business of the Transferor Company 2 with effect from the Effective Date and subject to this Scheme being sanctioned.



3.2.9 For the purpose of giving effect to the order passed under Sections 230 to 232 of the Act, in respect of this Scheme, by the NCLT, the Transferor Company 3 shall, upon the Scheme becoming effective, be entitled to get the record of the change in the legal right(s) standing in the name of the Transferor Company 2, in its favor in accordance with such order and the provisions of the Act, and Applicable Laws.

Merger of PVP Cinema Pvt Ltd & Picturehouse Media Ltd.

3.3 ACCOUNTING TREATMENT

3.3.1 Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Transferor Company 3 shall give effect to the accounting treatment in its books of account in accordance with the accounting standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, or any other relevant or related requirement under the Companies Act, as applicable on the Appointed Date.

3.3.2 Upon the scheme becoming effective, the Transferor Company 3 shall account for the amalgamation of the transferor company in its books of accounts in accordance with "pooling of interest method:" of accounting as laid down in the Appendix C of IND AS (103) (Business Combinations of Entities under common control) as under.

- a. All the Assets and liabilities in the books of the Transferor Company 2 shall be recorded by the Transferor Company 3 in the book of Accounts of their Respective Carrying amounts as appearing in the Books of Accounts of the Transferor Company. No Adjustment shall be made to reflect fair values or recognize any new assets or liabilities.
- b. The identity of reserves shall be preserved and shall appear in the financial statements of the Transferor Company 3 in the same form in which they appear in the financial statements of the Transferor Company 2.



PART IV

STAGE B

**AMALGAMATION OF THE TRANSFEROR COMPANY 1 AND TRANSFEROR
COMPANY 3 WITH THE TRANSFeree COMPANY**

**4.1 TRANSFER AND VESTING OF THE TRANSFEROR COMPANY 1 AND
TRANSFEROR COMPANY 3:**

4.1.1 Upon the coming into effect of this Scheme, and with effect from the Appointed Date, the Undertakings of the **Transferor Company 1** and **Transferor Company 3** [which shall for the purpose of this Part, also include the Undertakings vested with the Transferor Company 3 pursuant to Stage A in Part III of this Scheme], shall, together with all of their respective movable assets, investments, licenses, benefits, entitlements, incentives, concessions, contracts, intellectual property, employees, proceedings, rates, duties, cess, books & records as also the liabilities, shall subject to the provisions of Paragraph 4.2 hereof in relation to the mode of vesting, without any further act or deed, in accordance with Sections 230 to 232 of the Act and all other applicable provisions of law, be transferred to and vested in and shall be deemed to have been transferred to and vested in the **TRANSFeree COMPANY**, as a going concern.

4.1.2 Without prejudice to the generality of the foregoing clause, upon the Scheme becoming effective, on and from the Appointed Date:

4.1.2.1 Movable Assets & Investments

(a) In respect of such assets of the Transferor Companies as are moveable in nature or are otherwise capable of transfer by delivery of possession, payment or by endorsement and delivery, the same shall be transferred to and vested in Transferee Company and shall become the property of the Transferee Company. The vesting pursuant to this paragraph shall be deemed to have occurred by manual delivery or endorsement, as appropriate to the property being vested and the title to the property shall be deemed to have been transferred accordingly, without requiring execution of any deed or instrument of conveyance for the same.



- (b) In respect of such assets of the Transferor Companies 1 and 3 as are or represent investments registered and/or held in any form by or beneficial interest wherein is owned by the Transferor Companies 1 and 3, the same shall stand transferred/transmitted to and vested in the Transferee Company, together with all rights, benefits, and interest therein or attached thereto, without any further act or deed, and thereupon the Transferor Companies 1 and 3 shall cease to be the registered and/or the beneficial owner of such investments. The Transferor Companies 1 and 3 shall be deemed to be holding such investments for and on behalf of, and in trust for and for the benefit of the Transferee Company and all profits or dividends and other rights or benefits accruing/paid/distributed on such investments and all taxes thereon, or losses arising or expenses incurred relating to such investments, shall, for all intent and purposes, be treated as the profits, dividends, rights, benefits, taxes, losses, or expenses, as the case may be, of the Transferee Company.
- (c) In respect of such of the moveable assets belonging to the Transferor Companies 1 and 3 other than those specified in paragraphs 4.1.2(a) and (b) above, including sundry debtors, outstanding loans and advances if any, recoverable in cash or in kind or value to be received, bank balances and deposits, if any, the same shall [notwithstanding whether there is any specific provision for transfer of credits, assets or refunds under the Applicable Laws, wherever applicable], without any further act, instrument or deed by the Transferor Companies 1 and 3 or the Transferee Company or the need for any endorsements, stand transferred from the Transferor Companies 1 and 3, to and in favor of the Transferee Company. Any security, lien, encumbrance, or charge created over any assets in relation to the loans, debentures or borrowings or any other dues of the Transferor Companies 1 and 3, shall, without any further act or deed, stand transferred to the benefit of the Transferee Company and the Transferee Company will have all the rights of the Transferor Companies 1 and 3 to enforce such security, lien, encumbrance or charge, by virtue of this Scheme.



4.1.2.2 Licenses

All licenses relating to the Transferor Companies 1 and 3 shall stand transferred to and vested in the Transferee Company, without any further act or deed by the Transferor Companies 1 and 3 or the Transferee Company and be in full force and effect in favor of the Transferee Company, as if the same, were originally given to, issued to or executed in favor of the Transferee Company and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.

4.1.2.3 Benefits, Entitlements, Incentives and Concession

All benefits, entitlements, incentives and concessions under incentive schemes and policies that the Transferor Companies 1 and 3 are entitled to, including under GST and Income Tax laws, shall to the extent statutorily available and along with associated obligations, stand transferred to and vested in and be available to the Transferee Company, as if the Transferee Company was originally entitled to all such benefits, entitlements, incentives and concessions.

4.1.2.4 Contracts

(a) All contracts of the Transferor Companies 1 and 3 entered into by the Transferor Companies 1 and 3 and all agreements, & documents entered into pursuant to the same, including without limitation, documents & agreements relating to creation of security, subsisting or having effect immediately before the Effective Date, shall stand transferred to and vested in the Transferee Company and be in full force and effect in favor of the Transferee Company and may be enforced by or against it as fully and effectually as if, instead of the Transferor Companies 1 and 3, the Transferee Company had been a party thereto or beneficiary or obligee thereunder.

(b) All guarantees provided by any bank in favor of the Transferor Companies 1 and 3, outstanding as on the Effective Date, shall vest in the Transferee Company and shall enure to the benefit of the Transferee Company and all guarantees issued by the bankers of the Transferor Companies 1 and 3, at the request of the Transferor Companies 1 and 3, favoring any third party shall be



deemed to have been issued at the request of the Transferee Company and continue in favor of such third party till its maturity or earlier termination.

- (c) It shall not be necessary to obtain the consent of any third party or other person, who is a party to any such contract or arrangement to give effect to the provisions of this paragraph.

4.1.2.5 **Employees:**

- (a) All the employees in the service of the Transferor Companies 1 and 3, shall be deemed to have become the employees of the Transferee Company with effect from the Appointed Date, and shall stand transferred to the Transferee Company without any interruption of service and on terms and conditions no less favorable than those on which they are engaged by the Transferor Companies 1 and 3 as on the Effective Date, including in relation to the level of remuneration and contractual and statutory benefit, incentive plans, terminal benefits, gratuity plans, provident plans, and any other retirement benefits, and
- (b) It is provided that as far as the Provident Fund, Gratuity, Pension, Superannuation Fund or any other special funds that are applicable to the employees of the Transferee Company and existing in the Transferee Company for the benefit of the employees of the Transferee Company are concerned, the same shall also be extended to the employees of the Transferor Companies 1 and 3 upon the Scheme becoming finally effective.
- (c) All contributions made by the Transferor Companies 1 and 3, on behalf of their respective employees, and all contributions made by the employees including the interest arising thereon, to the funds standing to the credit of such employees' account with such funds, shall, upon this Scheme becoming effective, be transferred to the funds maintained by the Transferee Company along with such of the investments made by such funds which are referable and allocable to the employees and the Transferee Company shall stand substituted for the Transferor Companies 1 and 3 with regard to the obligation to make the said contributions.



- (d) In relation to those employees for whom the Transferor Companies 1 and 3 is making contributions to the Government provident fund, the Transferee Company shall stand substituted for the Transferor Companies 1 and 3, for all purposes, including in relation to the obligation to make contributions to such funds in accordance with the provisions of such funds, bye-laws etc., in respect of the employees.
- (e) The Transferee Company shall continue to abide by the agreement(s) and settlement(s) entered into with the employees of the Transferor Companies 1 and 3, if any, in terms of such agreement(s) and settlement(s) subsisting on the Effective Date, in relation to the employees.

4.1.2.6 Proceedings

- (a) With effect from the Appointed Date and upon the Scheme becoming effective, all suits, actions and proceedings of whatsoever nature by or against the Transferor Companies 1 and 3, whether by the Transferor Companies 1 and 3, or any other party in relation to the Transferor Companies 1 and 3, on the Effective Date, shall be continued and enforced by or against the Transferee Company.
- (b) Upon the Scheme becoming effective, the name of the Transferor Companies 1 and 3 shall stand substituted by the name of the Transferee Company in any pending proceedings and the Transferee Company shall be entitled to continue the proceedings, in its name, from the stage at which the proceedings stand, as on the Effective Date.
- (c) The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Companies 1 and 3 in respect of matters referred above transferred into its name and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Companies 1 and 3.



4.1.2.7 Liabilities, Debts, Obligations & Security:

- a) With effect from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description relating to the Transferor Companies 1 and 3 shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company, so as to become from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub-clause.
- b) Where any of the liabilities and obligations/assets attributed to the Transferor Companies 1 and 3 on the Appointed Date have been discharged/ sold by the Transferor Companies after the Appointed Date and prior to the Effective Date, such discharge/sale shall be deemed to have been for and on behalf of the Transferee Company.
- c) Any payment or discharge of any liabilities, debts or obligations pertaining to the Transferor Companies 1 and 3 by the Transferee Company shall be deemed to have been made for and on behalf of the Transferor Companies 1 and 3, and shall constitute a valid discharge.
- d) This Scheme shall not operate to enlarge or extend the security for any of the liabilities of the Transferor Companies 1 and 3 and the Transferee Company shall not be obliged to create any further or additional security therefore, after the Effective Date, unless otherwise agreed to by the Transferee Company.
- e) In so far as the existing security in respect of the Liabilities is concerned, such security shall, without any further act, instrument or deed be modified and shall be extended to, and shall operate only over the assets forming part of the Undertakings of the Transferor Companies 1 and 3 which have been charged and secured, and subsisting as on the Effective Date, in respect of the Liabilities.



Provided that if any of the assets forming part of the Undertakings of the Transferor Company 1 and Undertakings of the Transferor Company 3 have not been charged or secured in respect of the Liabilities, such assets shall remain unencumbered and the existing security referred to above shall not be extended to, and shall not operate over such assets.

4.1.2.8 Tax Treatment

All taxes, rates, duties, fees, cess etc., that are allocable, referable or related to the Transferor Companies 1 and 3 and payable, whether due or not, from the Appointed Date, including all advance tax payments, tax deducted at source, tax liabilities, tax obligations or any refunds, credits and claims shall, for all intent and purposes, be treated as the liability, obligations or refunds, credit and claims, as the case may be, of the Transferee Company.

4.1.2.9 Books and Records

All books, records, files, papers, catalogues, quotations, advertising materials, if any, lists of present and former clients, and all other books and records, whether in physical or electronic form, of the Transferor Companies 1 and 3, to the extent possible and permitted under Applicable Laws, be handed over by them to the Transferee Company.

4.2 CONDUCT OF BUSINESS TILL THE EFFECTIVE DATE:

With effect from the Appointed Date and up to and including the Effective Date:

- 4.2.1 The Transferor Companies 1 and 3 shall carry on, and be deemed to have been carrying on, all business activities and shall hold and stand possessed, and shall be deemed to have held and stood possessed, of all the assets, rights, title, interest, authorities, contracts, investments, decisions for and on account of, and in trust for, the Transferee Company.
- 4.2.2 All profits or income or taxes, including but not limited to income tax, fringe benefit tax, advance taxes, tax deducted at source by or on behalf of the Transferor Companies 1 and 3, minimum alternate tax credit, dividend distribution tax, securities transaction tax, taxes withheld/ paid in a foreign



country, wealth tax, sales tax, value added tax, excise duty, service tax, customs duty, refund, reliefs, etc., accruing or arising to the Transferor Companies 1 and 3, or losses arising or expenditure incurred by it, on and from Appointed Date upto the Effective Date, shall for all purposes be treated as, and be deemed to be treated as, the profits or income or losses or expenditure or the taxes of the Transferee Company.

4.2.3 The Transferor Companies 1 and 3 shall carry on its business activities with proper prudence and diligence and shall not, without prior written consent of the Transferee Company, alienate, charge or otherwise deal with or dispose off any of its Undertaking(s) or any part thereof (except in the ordinary course of business or pursuant to any pre-existing obligations undertaken by the Transferor Companies 1 and 3 prior to the Appointed Date).

4.2.4 The Transferee Company shall also be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government, and all other agencies, departments and statutory authorities concerned, wherever necessary, for such consents, approvals and sanctions which the Transferee Company may require including the registration, approvals, exemptions, reliefs, etc., as may be required / granted under any law for time being in force for carrying on business by the Transferee Company.

4.2.5 The Transferor Companies 1 and 3 shall not make any modification to its capital structure, either by an increase (by issue of rights shares, bonus shares, convertible debentures or otherwise), decrease, reclassification, sub-division or reorganisation or in any other manner, whatsoever, except by mutual consent of the Board of Directors of the Transferor Companies 1 and 3 and of the Transferee Company.

4.2.6 The Transferor Companies 1 and 3 shall not vary, except in the ordinary course of business, the terms and conditions of the employment of their employees without the consent of the Board of Directors of the Transferee Company.



- 4.2.7 All assets acquired, leased or licensed, benefits, entitlements, incentives and concessions granted, contracts entered into, liabilities incurred and proceedings initiated or made party to, between the Appointed Date and the Effective Date by the Transferor Companies 1 & 3 shall be deemed to be transferred to and vested in the Transferee Company. For avoidance of doubt, where any of the Liabilities as on the Appointed Date [deemed to have been transferred to the Transferee Company] have been discharged by the respective Transferor Companies 1 and 3 on or after the Appointed Date, but before the Effective Date, such discharge shall be deemed to have been for and on behalf of the Transferee Company for all intent and purposes and under Applicable Laws.
- 4.2.8 With effect from the Effective Date, the Transferee Company shall carry on and shall be authorized to carry on the business of the Transferor Companies 1 and 3 and till such time as the name of the account holder in the bank accounts of the Transferor Companies 1 and 3 is substituted by the bank in the name of the Transferee Company, the Transferee Company shall be entitled to operate such bank accounts of the Transferor Companies 1 and 3, in its name, in so far as may be necessary.
- 4.2.9 To the extent possible, pending sanction of this Scheme, the Transferor Companies 1 and 3 or the Transferee Company shall be entitled to apply to the relevant Governmental Authorities and other third parties, concerned, as may be necessary under any Applicable Laws or contract for transfer or modification of such consents, approvals and sanctions which the Transferee Company may require to own and carry on the business of the Transferor Companies 1 and 3 with effect from the Effective Date and subject to this Scheme being sanctioned.
- 4.2.10 For the purpose of giving effect to the order passed under Sections 230 to 232 of the Act, in respect of this Scheme, by the NCLT, the Transferee Company shall, upon the Scheme becoming effective, be entitled to get the record of the change in the legal right(s) standing in the name of the Transferor Companies 1 and 3, in its favor in accordance with such order and the provisions of the Act, and Applicable Laws.



Merged PHML and PVP Media Pvt Ltd with PVP Ventures Ltd

4.3 ACCOUNTING TREATMENT

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

4.3.2 The Transferee Company shall, upon the Scheme becoming effective, account for the amalgamation of the Transferor Companies 1 and 3 pursuant to this Scheme, in its books of accounts in accordance with "Pooling of Interest Method" of accounting as laid down in the Appendix C of IND AS (103) (Business Combinations of Entities under common control) as under:

- a. All the Assets and liabilities in the books of the Transferor Companies 1 and 3 shall be recorded by the Transferee Company in the book of Accounts of their Respective Carrying amounts as appearing in the Books of Accounts of the Transferor Company. No Adjustment shall be made to reflect fair values or recognize any new assets or liabilities.
- b. The identity of reserves shall be preserved and shall appear in the financial statements of the Transferee Company in the same form in which they appear in the financial statements of the Transferor Companies 1 and 3.

4.3.3 The carrying amount of investments in the Equity Shares of the Transferor Company 3 shall stand cancelled and there shall be no further obligation in that behalf and further diminution/provision in the value of Investments, if any provided in the books, shall be transferred to the Revenue Reserves (General Reserve and/or Retained earnings).

4.3.4 To the extent there are inter-corporate loans or advances or dues or balances among the Transferor Company 1, Transferor Company 3 and the Transferee Company the obligations in respect thereof shall come to an end and

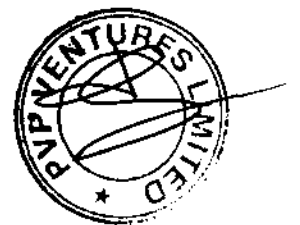


corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be. Further diminution/provision in the value of any loans or advances, if any provided in the books, shall be transferred to the Revenue Reserves (General Reserve and/or Retained earnings).

4.3.5 The excess of (a) the face value of the new shares issued and allotted plus any additional consideration in the form of cash and (b) the carrying amount of investments cancelled pursuant to clause 4.3.3, over the net value of assets, liabilities and reserves of the Transferor company acquired and recorded by the Transferee Company in terms of Clause 4.3.2(a) shall be transferred to Revenue Reserves (General Reserve and/or Retained earnings.)

4.3.6 In case of any differences in accounting policy between the Transferor Companies 1 and 3 and the Transferee Company, the impact of the same till the Scheme comes into effect will be quantified and adjusted in the General Reserve/Retained Earnings of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy. Provided however that insofar as the depreciation policy relating to the assets of the Transferor Companies 1 and 3 is concerned, the Board of Directors of the Transferee Company may either follow the policy adopted by the Transferor Companies 1 and 3 or the Transferee Company and make appropriate disclosure of the same in the financial statements.

4.3.7 On the Scheme becoming effective, the financial statements of the Transferee company (including comparative period presented in the financial statements of the Transferee Company, if required) shall be restated for the accounting impact of the amalgamation, as stated above, as if the amalgamation has occurred from the acquisition date (date when common control was established) or beginning of the said comparative period whichever is later.



4.3.8 The Transferee Company shall, upon the Scheme coming into effect, record the assets and liabilities of the Transferor Companies 1 and 3 vested in it pursuant to this Scheme as prescribed in the relevant and applicable Accounting Standards.

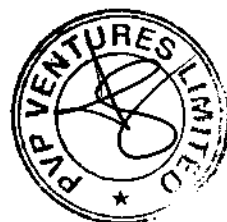
4.3.9 The Transferee Company shall, upon the Scheme becoming effective, account for the amalgamation of the Transferor Companies 1 and 3 pursuant to this Scheme, in its books of accounts in accordance with "Pooling of Interest Method" of accounting as laid down in the Appendix C of IND AS (103) (Business Combinations of Entities under common control) as under:

- a. All the Assets and liabilities in the books of the Transferor Companies 1 and 3 shall be recorded by the Transferee Company in the book of Accounts of their Respective Carrying amounts as appearing in the Books of Accounts of the Transferor Company. No Adjustment shall be made to reflect fair values or recognize any new assets or liabilities.
- b. The identity of reserves shall be preserved and shall appear in the financial statements of the Transferee Company in the same form in which they appear in the financial statements of the Transferor Companies 1 and 3.

4.3.10 The carrying amount of its investments in the Equity Shares of the Transferor Companies 1 and 3 to the extent held by the Transferee Company shall stand cancelled and there shall be no further obligation in that behalf.

4.3.11 The excess of (a) the face value of the new shares issued and allotted plus any additional consideration in the form of cash pursuant to clause 5.2 and (b) the carrying amount of investments cancelled pursuant to clause 4.3.3, over the net value of assets, liabilities and reserves of the Transferor company acquired and recorded by the Transferee Company in terms of Clause 4.3.2(a) shall be transferred to Revenue Reserves (General Reserve and/or Retained earnings).

4.3.12 Inter Company transactions and balances, including inter-corporate loans or advances or dues or balances between the Transferor Companies 1 and 3 and the Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the



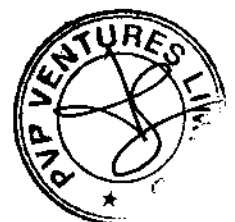
Transferee Company for the reduction of any assets or liabilities, as the case may be.

4.3.13 In case of any differences in accounting policy between the Transferor Companies 1 and 3 and the Transferee Company, the impact of the same till the Scheme comes into effect will be quantified and adjusted in the General Reserve/Retained Earnings of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy. Provided however that insofar as the depreciation policy relating to the assets of the Transferor Companies 1 and 3 is concerned, the Board of Directors of the Transferee Company may either follow the policy adopted by the Transferor Companies 1 and 3 or the Transferee Company and make appropriate disclosure of the same in the financial statements.

4.3.14 On the Scheme becoming effective, the financial statements of the Transferee company (including comparative period presented in the financial statements of the Transferee Company, if required) shall be restated for the accounting impact of the amalgamation, as stated above, as if the amalgamation has occurred from the acquisition date (date when common control was established) or beginning of the said comparative period whichever is later.

4.4 SAVING OF CONCLUDED TRANSACTIONS:

The transfer and vesting of the Transferor Companies 1 and 3 with and into the Transferee Company under Part IV of this Scheme, shall not affect any transaction or proceedings already completed or liabilities incurred by the Transferor Companies 1 and 3, either prior to, or on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company shall accept and adopt all acts, deeds and things done and executed by or on behalf of the Transferor Companies 1 and 3 in respect thereto as acts, deeds and things done and executed by and on behalf of itself.



4.5 DISSOLUTION OF THE TRANSFEROR COMPANIES 1 AND 3:

Subject to an order being made by the NCLT under Sections 230 to 232 of the Act, the Transferor Companies 1 and 3 shall be dissolved without the process of winding up on the Scheme becoming effective in accordance with the provisions of the Act and the Rules made thereunder.



PART V

ENTITLEMENT OF SHAREHOLDERS OF TRANSFEROR COMPANIES

5.1 CONSIDERATION

5.1.1 Upon coming into effect of this Scheme and in consideration for the transfer and vesting of the Transferor Company - 3 with the Transferee Company in terms of Stage B of Part IV of this Scheme, the Transferee Company shall, without any further application or deed, issue and allot at par, shares credited as fully paid up, to the extent indicated below, to the members of the Transferor Company - 3, to the exclusion of the Transferee Company which itself holds 49.56% of the issued, subscribed and paid-up share capital of the Transferor Company 3, as on the Record Date, which date shall be decided by the Board of Directors of the Transferee Company in consultation with the Transferor Company 3, or a committee thereof, for the purpose of determining the members of the Transferor Company - 3 to whom the equity shares will be allotted pursuant to this Scheme, and their respective entitlement to such equity shares. The equity shares will be allotted in the following manner:

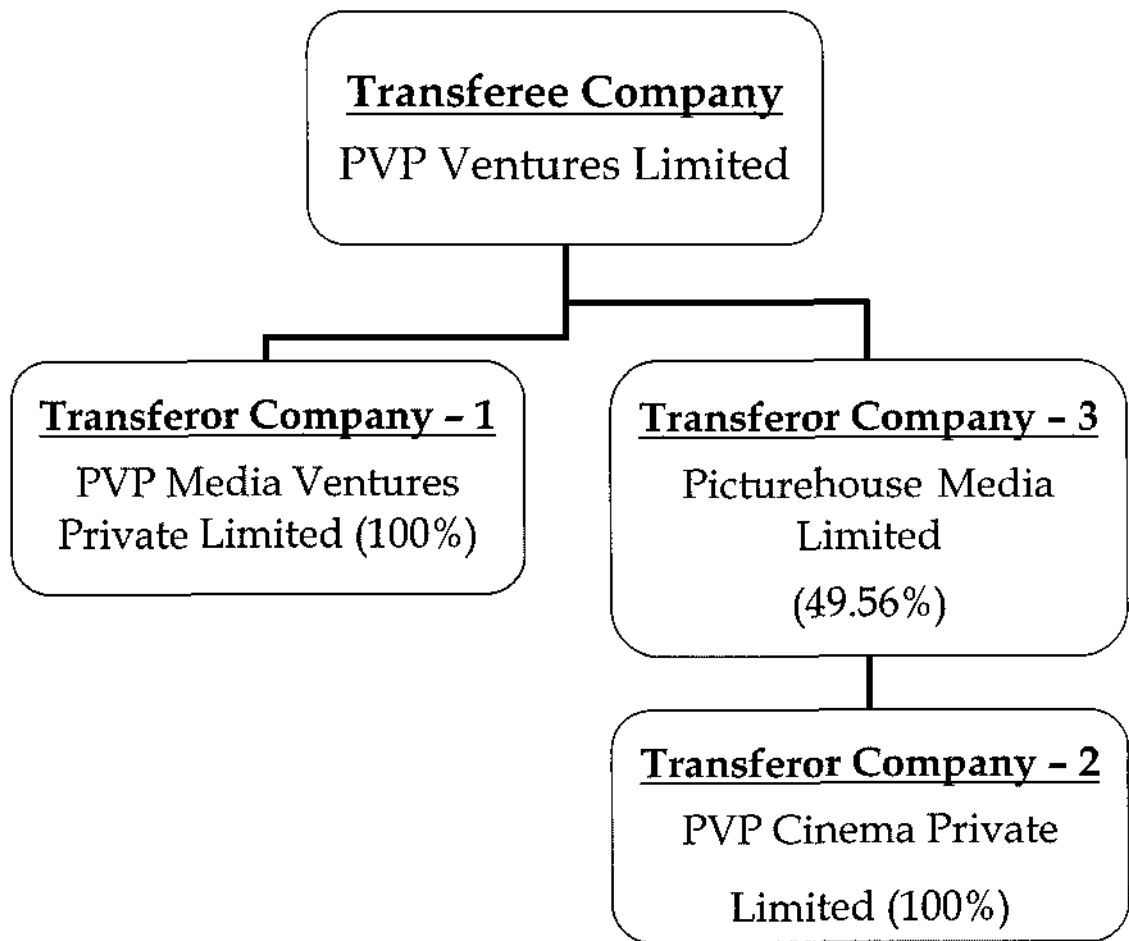
"For every 29 (twenty nine) Equity shares of face Value of Rs. 10/- each of the Transferor Company 3, 5 (five) equity share of face Value of Rs. 10/- each of the Transferee Company will be allotted as on Record Date."

The above share exchange ratio has been determined by the Board of Directors of the Transferor Companies 1, 2 and 3 and the Transferee Company, after taking into consideration a valuation report obtained from an independent Chartered Accountant in this regard. Based on this, the Board of Directors of the Transferor Companies 1, 2 and 3 and the Transferee Company have come to the conclusion that the proposed share exchange ratio is fair and reasonable to the shareholders of the Transferor Company - 3, and the Transferee Company.

Fractions, if any, arising out of such allotment as envisaged hereinabove in this clause, shall be rounded off to the nearest whole number.



5.1.2 The above allotment of shares at the determined share exchange ratio, to the shareholders of the Transferor Company – 3 in the Transferee Company has been proposed taking into account the shareholding pattern of the Transferor Companies 1, 2 and 3, and Transferee Company. The shareholding pattern is as follows:



- The Transferor Company 1 is a Wholly Owned Subsidiary of the Transferee Company. Consequently, and since the whole of the shareholding and interest in the Transferor Company 1 is held by the Transferee Company, the question of allotment of shares in lieu of the amalgamation and vesting of the Undertakings of the Transferor Company 1 with the Transferee Company, pursuant to this Scheme, does not arise.
- The Transferor Company 2 is a Wholly Owned Subsidiary of the Transferor Company – 3, which is ultimately also being amalgamated with the Transferee Company pursuant to this Scheme. Since the Transferor Company 3, which owns



and holds the entire shareholding and interest in the Transferor Company 2, is itself an entity whose Undertakings are proposed to be vested with the Transferee Company pursuant to this Scheme, the question of allotting shares to the shareholders of the Transferor Company 2, in lieu of such amalgamation and vesting pursuant to this Scheme, does not arise.

5.1.3 The equity shares to be issued and allotted to the members of the Transferor Company - 3 as above shall be subject to the Memorandum of Association and Articles of Association of the Transferee Company.

5.1.4 The equity shares issued by the Transferee Company shall rank *paripassu* in all respects, including dividends, voting and other rights, with the existing equity shares of the Transferee Company. The shares allotted to the shareholders of the Transferor Company - 3 shall also be entitled to any dividend, in the same manner as the shares of the Transferee Company, if so declared by the Transferee Company, with effect from the Appointed Date.

5.1.5 The Board of Directors of the Transferee Company shall, if and to the extent required, apply for and obtain any approvals from the concerned Government / Regulatory authorities for the issue and allotment of equity shares to the members of the Transferor Company - 3 pursuant to this Scheme.

5.1.6 If there are any pending transfers, whether lodged or outstanding, of any shareholders of the Transferor Company - 3, the Board of Directors shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer in the records of the Transferor Company - 3, as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the holder/transferee of the shares in the Transferor Company - 3 and in relation to the equity shares to be issued by the Transferee Company after this Scheme becoming effective.

5.2 CANCELLATION OF SHARES

Upon this Scheme becoming effective, all shares held by and between the Transferor Companies and Transferee Company inter se as specified in clauses above shall stand cancelled as an integral part of this Scheme and in lieu thereof no allotment of any new shares in the Transferee Company shall be made to any person whatsoever. Further, any equity shares of the Transferor Company 3 held by



any subsidiary company of Transferee Company, shall stand cancelled in pursuant to section 19 of the Companies Act, 2013.

5.3 INCREASE OF AUTHORIZED CAPITAL OF THE TRANSFEE COMPANY:

5.3.1. Upon the Scheme becoming effective and upon the transfer and vesting of the Transferor Companies with the Transferee Company pursuant to this Scheme, the authorized share capital of the Transferor Company 3, shall stand merged with the authorized share capital of the Transferee Company, such that the increased authorized share capital of the Transferee Company shall be a sum of Rs.380 Crores [Rupees Three Hundred and Eighty Crores only], consisting of 38,00,00,000 shares of Rs. 10/- each.

Accordingly, the authorized capital of the Transferee Company shall stand increased by an amount of Rs.80 Crores [Rupees Eighty Crores only] to Rs. 380 Crores [Three Hundred and Eighty Crores only], and the capital clause in the Memorandum of Association of the Transferee Company shall stand substituted as follows:

“The Authorized Share Capital of the Company is Rs.380 Crores, divided into Thirty Eight Crores equity shares of 10/- each”.

5.3.2 The stamp duty or filing fees paid on the authorized capital of the Transferor Company 3, is permitted to be utilized and applied towards the increase in the authorized share capital of the Transferee Company in accordance with this Clause 1.2, and no additional stamp duty shall be payable and no additional fee shall be payable to any regulatory authorities in relation to such increase in the authorized share capital of the Transferee Company. The Transferee Company shall file the requisite documentation with the relevant Registrar of Companies, which has jurisdiction over the Transferee Company, for the increase in the authorized share capital of the Transferee Company, as aforesaid. It is clarified that for the purposes of effecting this increase in the authorized share capital of the Transferee Company in terms of Clause 1.2 of this Scheme, the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be sufficient for the purpose of effecting this change, and no further approval or resolution shall be required under any provisions of the Act, to be separately passed.



PART VI
GENERAL TERMS AND CONDITIONS

6.1 APPLICATION TO THE TRIBUNAL:

- 6.1.1 The Transferor Companies, and the Transferee Company respectively shall obtain the requisite consents, approval or permission of any authority as may be required or which by Applicable Law may be necessary.
- 6.1.2 The Companies shall, with reasonable dispatch, make respective applications to the Benches of the NCLT having jurisdiction over each of the Transferor Companies, and the Transferee Company respectively, under Sections 230 to 232 and other applicable provisions of the Act, seeking necessary orders or directions for convening, holding and/or conducting meetings, and/or dispensing with convening and conduct of meetings of the classes of their respective shareholders, Creditors and for sanctioning this Scheme of Amalgamation with such modifications, as may be approved by the Tribunal.
- 6.1.3 Upon this Scheme being approved by the requisite majority of the Shareholders of the Companies (wherever required), the Companies shall, with all reasonable dispatch, *file respective petitions before the NCLT for sanction of the Scheme* under Sections 230 to 232 and other applicable provisions of the Act, and for such other Order or Orders, as the Tribunal may deem fit for carrying the Scheme into effect. Upon this Scheme being approved by the requisite majority of the Shareholders of the Transferor Companies and the Transferee Company respectively, the Shareholders of the Transferor Companies, and the Transferee Company, shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the provisions contained in the Scheme.

6.2 MODIFICATIONS/AMENDMENTS TO THE SCHEME

- 6.2.1 The Transferor Companies and the Transferee Company, through their respective Board of Directors including Committees of Directors or other persons, duly



authorized by the respective Boards in this regard, may make, or assent to, any alteration or modification to this Scheme or to any conditions or limitations, which the Tribunal or any other Competent Authority may deem fit to direct, approve or impose and may give such directions including an order of dissolution of the Transferor Companies without the process of winding up as they may consider necessary; to settle any doubt, question or difficulty, arising under the Scheme or in regard to its implementation or in any manner connected therewith and to do and to execute all such acts, deeds, matters and things necessary for putting this Scheme into effect, or to review the portion relating to the satisfaction of the conditions to this Scheme and if necessary, to waive any of those (to the extent permitted under Applicable Laws) for bringing this Scheme into effect.

6.2.2 If any part or provision of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Companies, affect the validity of implementation of the other parts and/or provisions of the Scheme. If any Part or provision of this Scheme hereof is invalid, ruled illegal by any Court/Tribunal of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Parties that such Part or provision, as the case may be, shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such Part or provision, as the case may be, shall cause this Scheme to become materially adverse to any Party, in which case the Parties shall attempt to bring about a modification in the Scheme, as will best preserve for the Parties the benefits and obligations of the Scheme, including but not limited to such Part or provision.

6.2.3 For the purpose of giving effect to the Scheme after it is sanctioned by the Court, the Directors of the Transferee Company are authorized to identify/allocate/apportion the assets and liabilities covered under the Scheme.

6.3 SCHEME CONDITIONAL ON APPROVALS/SANCTIONS

This Scheme is conditional on and subject to –



- 6.3.1 The Scheme being agreed to by the requisite majorities of the shareholders of the respective Transferor Companies and the Transferee Company, at meetings to be convened and held, in accordance with the provisions of Sections 230 to 232 of the Act, or to be provided in such other manner as acceptable to the Benches of the NCLT having jurisdiction over the respective companies;
- 6.3.2 The Scheme being sanctioned by the Benches of the NCLT having jurisdiction over the Transferor Companies and the Transferee Company;
- 6.3.3 The filing with the Registrar of Companies having jurisdiction over the Transferor Companies and the Transferee Company, of certified copies of the order sanctioning the Scheme.

6.4 EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

In the event of the Scheme not being sanctioned by the Tribunal and/or the order or orders not being passed as aforesaid, the Scheme shall become fully null and void and in that event no rights and liabilities shall accrue to the parties in terms of the Scheme, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. In such event, each party shall bear and pay its respective costs, charges and expenses for and/ or in connection with the Scheme.

6.5 REVOCATION AND WITHDRAWAL OF THE SCHEME:

The Board of Directors of the Transferor Companies and the Transferee Company shall be entitled to revoke, cancel, withdraw and declare this Scheme to be of no effect at any stage and where applicable, re-file, at any stage in case-

- a) this Scheme is **not approved by the majority of the shareholders** of the respective Transferor Companies and/or the Transferee Company and/or the

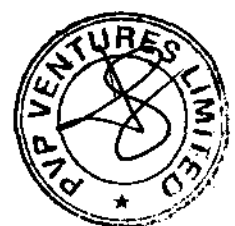


Tribunal or if any other consents, approvals, permissions, resolutions, agreements, sanctions and conditions required for giving effect to this Scheme are not received or delayed;

- b) any condition or modification imposed by the shareholders of the Transferor Companies and/or the Transferee Company, or the Tribunal or any other authority is not acceptable;
- c) Coming into effect of this Scheme in terms of the provisions hereof or filing of the orders with any Governmental Authority could have adverse implication on any of the Transferor Companies and/or the Transferee Company; or
- d) for any other reason whatsoever, and do all such acts, deeds, things, as they may deem necessary and desirable in connection therewith and incidental thereto. On revocation, cancellation or withdrawal, this Scheme shall stand revoked, cancelled or withdrawn and be of no effect and in that event, no rights and liabilities whatsoever shall accrue or be incurred *inter-se* between the Transferor Companies and the Transferee Company, or their respective shareholders 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 and worked out in accordance with applicable law and in such case, each party shall bear its own costs, unless otherwise mutually agreed.

6.6 EXPENSES CONNECTED WITH THE SCHEME

- 6.6.1 All costs, charges, levies, fees, duties and expenses of the Transferor Companies, and the Transferee Company respectively in relation to or in connection with negotiations leading up to the Scheme and of carrying out and completing the terms and provisions of this Scheme and in relation to or in connection with the Scheme shall be borne and paid by the respective company.



6.6.2 In the event of non-fulfillment of any or all obligations under this Scheme by any party towards any other party, inter-se or to third parties, the non-performance of which will place any other party under any obligation, then the defaulting party will indemnify all costs and interest to such other affected party.

6.7 MISCELLANEOUS

In case of any doubt or difference arising amongst the Transferor Companies and Transferee Company, or any of their shareholders, creditors, Employees and/ or persons entitled to, or claiming any right to any shares, as to the construction of this Scheme or as to any account, valuation or apportionment to be taken or made in connection herewith or as to any other aspects contained in or relating to or arising out of this Scheme, the same shall be amicably settled between the Board of Directors of the Transferee Company, and the decision arrived at therein shall be final and binding on all concerned.

The Scheme shall adhere to the requirements of Applicable Laws.

