



GOVERNMENT OF INDIA

MINISTRY OF CORPORATE AFFAIRS

Office of the Registrar of Companies

Everest, 100 Marine Drive, Mumbai, Maharashtra, India, 400002

Corporate Identity Number: L51909MH1988PLC287553

SECTION 13(5) OF THE COMPANIES ACT, 2013

Certificate of Registration of Regional Director order for Change of State

M/s DISH TV INDIA LIMITED having by special resolution altered the provisions of its Memorandum of Association with respect to the place of the Registered Office by changing it from the state of Delhi to the Maharashtra and such alteration having been confirmed by an order of Regional Director bearing the date 28/10/2016.

I hereby certify that a certified copy of the said order has this day been registered.

Given under my hand at Mumbai this Ninth day of November Two thousand sixteen.



MANGESH RAMDAS JADHAV  
Assistant Registrar of Companies  
Registrar of Companies  
RoC - Mumbai

Mailing Address as per record available in Registrar of Companies office:

DISH TV INDIA LIMITED

18TH FLOOR, A WING, MARATHON FUTUREX, N M JOSHI MARG, LOWER  
PAREL, MUMBAI, Mumbai City, Maharashtra, India, 400013



# GOVERNMENT OF INDIA

## MINISTRY OF COMPANY AFFAIRS

National Capital Territory of Delhi and

Haryana

B-block Paryavaran Bhawan, CGO Complex, Lodhi Road, , New Delhi - 110003, Delhi, INDIA

Corporate Identity Number : U51909DL1988PLC101836

### Fresh Certificate of Incorporation Consequent upon Change of Name

In the matter of M/s ASC ENTERPRISES LIMITED

I hereby certify that ASC ENTERPRISES LIMITED which was originally incorporated on TENTH day of August NINETEEN EIGHTY EIGHT under the Companies Act, 1956 (No. 1 of 1956) as ASC ENTERPRISES LIMITED having duly passed the necessary resolution in terms of Section 21 of the Companies Act, 1956 and the approval of the Central Government signified in writing having been accorded thereto under Section 21 of the Companies Act, 1956, read with Government of India, Department of Company Affairs, New Delhi, Notification No. G.S.R 507 (E) dated 24/06/1985 vide SRN: A08942476 dated 07/03/2007 the name of the said company is this day changed to: DISH TV INDIA LIMITED and this Certificate is issued pursuant to Section 23(1) of the said Act.

Given under my hand at Delhi this SEVENTH day of March TWO THOUSAND SEVEN.



(TEJ PRAKASH SHAMI)

**Registrar of Companies**  
National Capital Territory of Delhi and  
Haryana

COMPANY NO. 55-101336

( SECTION 10(3) OF COMPANIES ACT, 1956 )

M/s. ASC Enterprises Limited

having by special resolution altered the provisions of its Memorandum of Association with respect to place of the Registered Office by changing it from the State of Maharashtra to the NCT of Delhi and such alteration having been confirmed by an order of CLB Western Region Bench vide C.P. No. 318/17/CLB/WR/177 bearing the date 19-8-99.

I hereby certify that a certified copy of the said order has this day been registered:

Given under my hand at NEW DELHI this Fourth day of October One thousand nine hundred and Ninety nine



DY.  
ASSTT. LODL.

T. P. Shami  
(T. P. Shami)

REGISTRAR OF COMPANIES,  
NCT OF DELHI & HARYANA

No. 11 : 48445

**CERTIFICATE OF CHANGE OF NAME  
UNDER THE COMPANIES ACT, 1956.**

In the matter of ASC ENTERPRISES PRIVATE LIMITED.

I do hereby certify that pursuant to the provisions of section 23 of Companies Act, 1956 and the Special Resolution passed under Sec. 31 / 44 of the Companies Act by the Company at its ~~Annual~~/ Extra-Ordinary General Meeting held on 6TH OCTOBER, 1995.

the name of " ASC ENTERPRISES PRIVATE LIMITED.

has this day been changed to " ASC ENTERPRISES LIMITED.

and that the said company has been duly incorporated as a company under the provisions of the said Act.

Dated this THIRTEENTH day of DECEMBER  
one thousand nine hundred and ninety FIVE.



*R. Vasudevan*  
( R. VASUDEVAN. ) / 212/15  
Registrar of Companies  
Maharashtra, Bombay.



No. 11- 48445

**FRESH CERTIFICATE OF INCORPORATION  
CONSEQUENT ON CHANGE OF NAME**

IN THE OFFICE OF THIS REGISTRAR OF COMPANIES, MAHARASHTRA,  
BOMBAY.

In the matter of NAVPAD TEXTURISERS PRIVATE LIMITED.

I hereby approve and signify in writing under Section  
21 of the Companies Act, 1956 (Act of 1956) read with the  
Government of India. Department of Company Affairs, Notification  
No. G.S.R. 507E dated the 24th June 1985 the change of name  
of the Company:  
from **NAVPAD TEXTURISERS PRIVATE LIMITED**

to **ASC ENTERPRISES PRIVATE LIMITED**

and I hereby certify that NAVPAD TEXTURISERS PRIVATE LIMITED

which was originally incorporated on  
**TENTH** day of **AUGUST, 1958** under the  
Companies Act, 1956 and under the name **NAVPAD TEXTURISERS  
PRIVATE LIMITED** having

duly passed the necessary resolution in terms of section 21/~~21(1)~~  
~~(a)/21(1)(b)~~ of the Companies Act, 1956 the name of the said  
Company is this day changed to **ASC ENTERPRISES PRIVATE LIMITED**  
and this  
certificate is issued pursuant to Section 23(1) of the said Act.

GIVEN UNDER MY HAND AT BOMBAY THIS **TWENTYNINTH**  
Day of **SEPTEMBER** One Thousand nine hundred ninety ~~four~~  
**FIVE**.



*R. Vasudevan*  
( R. VASUDEVAN )  
REGISTRAR OF COMPANIES  
MAHARASHTRA, BOMBAY



प्रारूप-आर्.आर.  
Form I. R.

निगमन का प्रमाण-पत्र

# CERTIFICATE OF INCORPORATION

सी. नं. ११-४८४४७ का दि. १९६६  
No. 11-48447 of 1966

मैं यतद्वारा प्रमाणित करता हूँ कि मा. ....

कम्पनी अधिनियम १९५६ (१९५६ का १) के अधीन निगमित की गई है और वह  
कम्पनी परिसीमित है।

I hereby certify that .. **NAVAD TEXTURISERS PRIVATE**  
**LIMITED** ..

is this day incorporated under the Companies Act, 1956 (No. 1 of 1956)  
and that the Company is limited.

मेरे हस्ताक्षर से आज ता. .... को दिया गया।

Given under my hand at **BOMBAY** this **TENTH**  
**AUGUST** .... One thousand nine hundred and **EIGHTY EIGHT**



(**V. RADHAKRISHNAN**)  
कम्पनियों का रजिस्ट्रार

**ADDL. Registrar of Companies**  
**Maharashtra**

THE COMPANIES ACT, 2013

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

**DISH TV INDIA LIMITED**

- I. The name of the company is DISH TV INDIA LIMITED.
- II. The Registered Office of the Company will be situated in the State of Maharashtra i.e. within the jurisdiction of the Registrar of Companies, Maharashtra at Mumbai. &
- III. The objects for which the company is established are:-

**A. THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION:§**

1. \*To plan, establish, develop, provide, operate, maintain and market various services, including cable or satellite based communications and networking services or broadcasting or broadcasting content services, direct-to-home (DTH) services, satellite based transmission services and maintain telecommunication networks, systems, services including telephones, telex, message, relay, data transmission, facsimile, television, telematics, value added network services, paging cellular, mobile, audio and video services, maritime and Aeronautical communication services and other telecommunication services as are in use elsewhere or to be developed in future and to act as satellite based service provider and carry on the business of generation, distribution, redistribution, reception, transmission, re-retransmission of audio, video, data and radio signals.
2. \*To carry on business of manufacture, assemble, put to place, set up, plant, establish, develop, acquire, purchase, launch, relaunch, hire, lease, time share, manage, maintain, operate, run, replace, sale, upgrade, or otherwise commercially exploit, satellite, space craft, ground station assets, transponders, control stations, via uplink or downlink or otherwise for the purpose of transmitting relaying, telecommunicating, broadcasting, narrowcasting, telecasting, any form of radio, audio, video signals both terrestrially and spatially including obtaining rights of distribution and marketing of communication signals and electronic data by means of satellite, wireless, wire or other electronic or mechanical methods of delivery or otherwise and to providing consultancy services relating to telecommunication, satellite, transponder, communication, broadcasting network systems, mobile systems, telephony, information technology and exploiting software associated with provision and management of telecommunication and broadcasting / channel distribution services.

*§Title substituted vide Special resolution dated March 25, 2016*

*\*Inserted vide Special Resolution dated February 2, 2007*

*&Amended vide Special Resolution dated September 19, 2016*

3. \*To receive, buy, sell, procure, develop, produce, commission, decrypt, aggregate, turnaround, encrypt and distribute various kinds of entertainment contents/software (programmes), data for their aggregation, exhibition, distribution and dissemination on TV channels / TV signals / video and audio signals, be it satellite TV channels or terrestrial TV channels or cable channels or through any other mode or through encryption, decryption of signals / channels using existing and/or emerging technologies, including distribution via internet, distribution via internet protocol or webcasting or exhibition in cinema and/or video theater in all forms, be it an analogue signals or digital signals or through sale of physical material like cassettes including audio cassettes, video cassettes, digital video discs, CD ROM's etc. and any emerging technology.

**B. MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN PART A:§**

1. To construct, erect, establish factory or factories and work-shops with suitable plants, engineers, machineries, tools instruments for the manufacture and processing of materials used in the manufacture and also to carry on business of dealers, importers, exporters, agents of by-products, scrap from the main activities of the Company.
2. To undertake, manufacturing of or otherwise deal in machineries, machine parts, raw materials, chemicals, machine tools, stores, gases, parts, components and their accessories and other metals and engineering products, and also to undertake manufacturing of or otherwise deal in any type of packing materials either of yarn, polythene, paper, jute, metal, Hessian wood, plastic containers, tin boxes, fiberglass as may be required in connection with Company's business.
3. To acquire by purchase, lease, exchange or otherwise land, showrooms, buildings and hereditaments of any tenure of description and any estate or interest therein any rights over or connected with land or either or retain the same for the purpose of the Company's business or turn the same to account as may seem expedient.
4. To take on lease, hire purchase or otherwise acquire any lands, plantations, rights over or connected with and immoveable property or any description and any interests, rights or privileges which may be deemed necessary or convenient for the business which the Company is authorized to carry on.
5. To erect, construct, maintain or alter or assist in the construction buildings, erections of works acquired by the company.

*§Title substituted vide Special resolution dated March 25, 2016*

*\*Inserted vide Special Resolution dated February 2, 2007*

6. To sell, exchange, mortgage, let on lease, royalty or distribute, grant licences, easements, options and other rights over and deal with or dispose of the undertaking property, assets, rights and effects of the Company or any part thereof for such consideration as may be thought fit and in particular for stocks, shares whether fully or partly paid up or securities of any other Company.
7. To sell, improve, manage, develop, exchange, lease mortgage, dispose of, turn to account, or otherwise deal in all or any part of the property and right of the Company.
8. To advance, deposit with or lend, money, securities and property to or receive loans or grant or deposit from the Government or others.
9. To lend money either with or without security, and generally to such persons and upon such terms and conditions as the Company may think fit.
10. To guarantee the performance of the obligations of and payment of and interest on any stock, shares or securities of any company, corporation, firm or person in any case.
11. To guarantee the payment of money unsecured or secured by or payable under or in respect of promissory notes, bonds, debentures, debenture - stock, contract, mortgages, charges, obligations, instruments and securities of any Company of or any authority, supreme, municipal, local or otherwise or of any persons whomsoever, whether incorporated or not incorporated and generally to guarantee or become surety for the performance of any contracts or obligations.
12. To obtain, any rights, concessions, privileges, permission and the like, periodically or otherwise, which may be considered conducive to the interest or the business of the Company from any Governments, States, Municipalities, Local Boards, Museums, Libraries, or any authorities supreme, or otherwise and to carry out, use, exercise and comply with such rights, privileges, concession, permission and arrangements.
13. To subscribe for, absolutely or conditionally purchase or otherwise acquire and to hold, dispose of and deal in stocks and securities or obligations or any other company whether Indian / foreign.
14. Subject to the provisions of the Act to invest moneys of the company not for the time being required for any of the purpose of the Company in such investments (other than shares or stock of this Company) as may be thought proper and to hold, sell or otherwise deal with such investment.
15. To borrow or raise or secure payment of money or to receive money on deposit at interest for any of the purposes of the Company, and at all such time or times and in such manner as may be thought fit and in particular, by the issue of debentures, or

debenture-stocks perpetual or otherwise, including debentures or debenture - stocks convertible into shares of this or any other company or perpetual annuities and as security for any such moneys so borrowed, raised or received, or of any such debentures, or debenture-stock so issued to mortgage, pledge or charge the whole or any part of the property, assets or revenue and profits of the company present or future including its uncalled capital by special assignment or otherwise or transfer or convey the same absolutely or in trust and to give the lenders power of sale and other powers as may seem expedient, and to purchase, redeem or pay off any such securities, provided, the Company shall not carry on banking business as defined by the Banking Regulation Act, 1849 and subject to the provision of Section 73 to Section 76 of the Companies Act, 2013 and directives of the Reserve Bank of India.

16. To open an account or accounts with any individual firm or company or with any Bank or Shroffs and to pay into and to withdraw money from such account or accounts.
17. To draw, make, accept, discount, execute, endorse and issue bills of exchange and other promissory, notes, bills of lading, warrants, debentures and other negotiable or transferable instruments or securities.
18. To apply for, purchase or otherwise acquire and protect, prolong and renew whether in India or elsewhere any patents, patent rights, brevets inventions, trademarks, designs, licences, protections, concession and the like conferring any exclusive or nonexclusive or limited right to use any secret or other information as to any invention, process or privilege, which may seem capable of being used for any of the purposes of the Company.
19. To spend money in experimenting on and testing and in improving or seeking to improve any patents, rights, inventions, discoveries, processes, or information of the Company or which the Company may acquire/ propose to acquire.
20. To equip expeditions and commissions and to employ, remunerate experts and other agents in connection therewith, with a view to securing any of the objects of the Company.
21. To establish, provide, maintain and conduct research and other laboratories, training colleges, schools and other institutions, for the training, education and instruments to students and others who may desire to avail themselves of the same and persons connected with the business of the company and to provide for the delivery and holding of lectures, demonstrations, exhibitions, classes, meetings and conferences in connection therewith.
22. To acquire and undertake all or any part of the business, property and liability of any person or Company carrying on any business which this Company is authorized to carry on or possessed of property suitable for the purposes of the company.

23. To take part in the supervision or control of the business or operations of any company or undertaking and for that purpose to appoint and remunerate any Directors, Accountants or other experts or agents.
24. To procure the registration or incorporation or recognition of the Company in or under the laws of any place in India or outside India and regulate agencies for the purpose of company's business.
25. To form, incorporate or promote any Company or Companies whether in India or in any foreign country, having among its or their objects, the acquisition of all or any of the assets or control management or development of the opinion of company could or might directly or indirectly assist the company in the management or its business or the development of its properties or otherwise prove advantageous to the Company and to pay all or any of the costs and expenses incurred in connection with any such promotion or incorporation and to remunerate any person or company in any manner it shall think fit for services rendered or to be rendered in obtaining subscriptions for or for guaranteeing the subscriptions of or the placing of any shares in the capital of the Company or any bonds, debentures, obligations or securities of the company or any stock, shares, bonds, debentures, obligations or securities of any other company may have an interest or in or about the conduct of its business or in or about the promotion or formation of any other company in which the company may have an interest.
26. To amalgamate, enter into partnership or into any arrangement for sharing profits or into any union of interest, joint-venture, reciprocal concession or company or companies carrying on, or engaged in or about to carry on or engaged or being authorized to carry on or engage in, any business or transaction which this company is authorized to carry on or engaged in or any similar business or transaction.
27. To enter into any arrangements and to take all necessary or proper steps with Governments or with other authorities, imperial, supreme, national, local, municipal or otherwise of any place in which the company may have interests and to carry on any negotiations or operations for the purpose of directly or indirectly carrying out the objects of the company of effecting any modification in the constitution of the company or furthering the interests of its members and to oppose any such steps taken by any other company, firm or person which may be considered likely directly or indirectly to prejudice the interests of the company or its members and to promote or assist the promotion, whether directly or indirectly, any legislation which may seem disadvantageous to the Company and to obtain from any such Government authority or any company or charters, contracts, which the company may think it desirable to obtain and carry out, exercise and comply with any such arrangements, charters, decrees, rights, privileges or concessions.
28. To adopt such means of making known the business of the company as may seem expedient and in particular by advertising in the press, by circulars, by purchase and



exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations.

29. To undertake and execute any trust, the undertaking of which may seem to the company desirable, either gratuitously or otherwise.
30. To apply the assets of the company in any way in or towards the establishment, maintenance or extension or any association, institution or fund in any way connected with any particular trade or commerce generally including any association institution or fund for the protection of master, owners and employers against loss by bad debts, strikes, combinations, fire accidents or otherwise or for the benefit of any clerk, workman or others at any time employed by the company or any of its predecessors in business of their families or dependent and whether or not in common with other persons or classes of persons and in particular or friendly, cooperative and other societies, reading rooms, libraries, educational and charitable-institutions refectories, dining and recreation rooms, churches, chapels, schools, and hospitals and to grant gratuities, pensions and allowances and to contribute to any funds raised by public or local subscription for any purpose whatsoever.
31. To make donations to such persons or institutions either of cash or any other assets as it may be, though directly or indirectly, expedient.
32. To communicate with chambers of commerce and other mercantile public bodies throughout the world and concert and promote measures for the protection to trade, industry and persons engaged therein.
33. To amalgamate with any other company whose objects are or include objects similar to those of this Company.
34. To create any reserve, sinking fund, insurance fund or any other special fund whether for depreciation or repairing, improving, extending or maintaining any property of the company or for any other purpose conducive to interest of the company.
35. To distribute as bonus shares among members or place to reserve or otherwise to apply as the company may from time to time think fit, any money received by way of premium on shares or debentures issued at premium by the company and any money received in respect of forfeited shares and money arising from the sale by the company of forfeited shares subject to the provisions of the Companies Act, 2013.
36. To aid, pecuniarily or otherwise any association, body or movement having for an object the solution, settlement or surrounding of industrial or labour problems or troubles or the promotion of ship industry or trade or other business carried on by the company.



37. To subscribe or guarantee money for national, charitable, benevolent, public, social, general utility objects or for any exhibition.
38. To establish and support or aid in the establishment and support of associations, institutions, funds, trusts and convenience calculated to benefit persons who are or have been Directors of or who are or have served the company or any company which is a subsidiary or associate of the company or its predecessors in business or the dependants or connections of such persons and to grant pensions and allowance and to make payment towards insurance.
39. To carry on business either as principals, agents, lessors, trustees, contractors, or otherwise, and either alone or in conjunction with others, and either by or through, agents, subcontractors, trustees or otherwise.
40. Subject to provision of the Companies Act to distribute all or any of the property of the company amongst the members in specie or kind in the event of winding up of the company.
41. To help, promote, implement, contribute to rural development schemes, association, clubs and institutions connected with rural development.
42. To purchase or otherwise acquire land with or without buildings and machinery or to accept without buildings and machinery or to accept thereof, and on such land to erect buildings also to purchase and erect plant and machinery for the works and purposes of the company.
43. To dig wells and tube-wells in the land, belonging to the company or otherwise taken on lease and to make, build and construct, lay down and maintain any reservoirs, cisterns, culverts, flower-beds, mains and other pipes for purposes of storing and distributing water in the land of the company for distributing water in the land of the company for its proper maintenance, utility and cultivation.
44. To develop the recourses and turn into account the land, buildings for the time being of the company in such manner as may be deemed fit and in particular by clearing, draining, fencing, planting of fruit trees, gardening, dairy and agricultural farming or otherwise as may be considered suitable for the beneficial interest of the company.
45. To establish, maintain or otherwise subsidise any research laboratories, refineries or chemical workshops for the purpose of conducting scientific and technical research pertaining to or connected with any of the business or industry which this company is authorized to carry on under the memorandum of association and thereby to improve or otherwise to make use of the inventions, discoveries, processes, technical know-how, patents and rights, resulting from such scientific and research and to enter into Technical or Management collaboration with Indian or Foreign Parties.

46. To remunerate or otherwise assist, any person, firm or company for the services of technical nature rendered in India or elsewhere for conducting any research or experiments.
47. To provide for the welfare of the officers, employees, ex-employees of the company and the wives, widows and families or the dependent or the connections of such persons, buildings or contributing to the building of houses, dwelling, or chawls or any grant of money, pensions, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing to provident or other associations, institutions, funds of trusts, and by providing or subscribing or contributing towards places of instructions recreation, hospitals, and dispensaries, medical and other attendance or other assistance as the company shall think fit and subscribe or contribute to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public or any other institutions and objects which shall have any moral or other claim to support or aid by the company either by reason of location or operation or of public and general utility or otherwise.
48. To carry on the business of manufacturer, assembler, dealer, distributor, agent, indenter, importers, exporters, leasing, hiring, selling or otherwise exploiting telecommunication hard-ware, accessories, equipment, instruments systems, sets, decoders required for Telecommunication and Broadcasting services, systems or networks.
49. To plan, establish, develop, provide, operate and maintain subscribers or customers management services including data processing billing for services provided to subscribers of telecommunication, broadcasting, telecasting services and to collect and settle revenue, rental, leased charges or other charges payable to the company by persons, companies, agencies and administrations for the services provided and to utilize the same for furtherance of activities of the company.
50. To plan, establish, setup, develop, manage, provide, operate and maintain telecommunication systems, networks, leased telecommunication services and control stations, ground station, fixed or mobile uplinking stations, relay stations, gateways, antennas, cable networks, headends, control towers and other equipments for the purpose of communication, broadcasting or telecast.
51. To enter into bilateral/multilateral ownership agreements with foreign administrations, communications, entities and service agencies for telecommunications, network system and services.
52. To acquire from any person, firm or body corporate whether in India and/or outside India in the public or private sector, technical information, know-how, process engineering, manufacturing and operating data, plans, layouts and blue prints useful for design, erection, construction, commissioning, operation and maintenance of plant and equipment required for any of the business of the company and to acquire any grant or licence and other rights and benefits in the foregoing matters and things.

53. To plan, establish, acquire, develop, manage, maintain in India or outside India any plants, equipments and auxiliaries which can be advantageously utilized by the company to attain its objects and carry on operations or business of any nature which the company from time to time may deem fit or expedient to carry on in connection with its business at any time being conducted.
54. To build, construct, maintain, enlarge, pull down, remove or replace, dispose off, improve or develop and work, manage and control any buildings, offices, godowns, warehouses, shops, machinery and plant and telephone exchanges, telex exchanges, message relay systems, microwave stations, repeater stations, telecommunications lines, cables, towers or any other equipment, plant and machinery connected with design, development, construction, maintenance and operation of telecommunications services and conveniences, which may seem calculated directly or indirectly to advance the interests of the company and to subsidise, contribute to or otherwise assist or take part in doing any of these things, and/or to join with any other person, and/or company and/or with governmental authority in doing any of these things.
55. To engage in research, development study and experiments relating to all the aspects of telecommunications to collect, prepare and distribute information and statistics relating to any of the aspects pertaining to telecommunications working in India or outside India and to promote or propose such methods, studies and measures as may be considered.
56. To receive or pay remuneration, assist and finance in India and/or outside India any industrial undertaking project or enterprise whether owned or run by Government, Statutory Body, Private Company firm or individual with capital credit or resources for execution of its work and business by or to the Company.
57. To design, establish, provide, maintain and perform engineering, technical and consultancy services for any administration, person, firm or body corporate for development of satellite transponder or telecommunications projects of all types/descriptions in India and outside India including but not limited to surveys of all types, feasibility reports, detailed project reports, techno-economic investigations, supply of basic engineering and detailed design and making drawings, layouts and blue print for construction of telecommunication facilities, preparation of tender documents, tender evaluation, purchase assistance, construction, supervision, project management, acceptance testing, commissioning, maintenance, training of personnel and such other services.
58. To receive engineering, technical and management consultancy services for telecommunications but not limited to engineering, commercial and operational management of telecommunications systems, market research and personnel management.
59. To acquire concession or licences granted by and to enter into contracts with the Government of India or the Government of any State in India or any Municipal or

Local Authority, Company or person, for the construction, maintenance and operation of any electric installation for the production, transmission or use of electric power lighting, heating, signalling, telephonic or traction, water pumping and distribution thereof or motive purpose including the application thereof the railways, tramcars, omnibuses, carriages, ships and ports conveyances and objects or any other purpose and to appoint agents to act on behalf of the company for all or any such activities.

60. \*To engage in the process of digitizing, cataloging and enabling the search, retrieval, management, delivery and secure sale of media assets such as audio, video, text, data and/or images, bibliography of films, entertainment programmes, musical videos, clippings, entertainment events, game shows, talk shows, news shows, current affairs programme etc., and heritage, preservation, archives and all related areas; to acquire copyrights, cable rights, satellite rights, cinema and video rights, pay per view right, pay per telecast right, rights of reproduction, dubbing and all other rights in respect thereof; to carry out, undertake, organize and provide all facilities for research and development.
61. \*To engage in the business of subscriber management services including billing services, payment handling, credit card gateways, interfaces with authorization system, customer care, price and product handling, subscription handling, conditional access system interfaces, middleware services, managing / running call centers, market research, mass communication services and to provide all these services through access and to configure, construct, install, commission and operate a comprehensive subscriber management system including but not limited to billing system, subscriber's information and request entitlement management messages and subscriber authorization system.
62. \*To engage in the process of digitizing, cataloging and enabling the search, retrieval, management, delivery and secure sale of media assets such as audio, video, text and/or images, bibliography of films, entertainment programmes, musical videos, clippings, entertainment events, game shows, talk shows, news shows, current affair programmes etc., and heritage, preservation, archives and all related areas; to acquire copyrights, cable rights, satellite rights, cinema and video rights, pay per view right, pay per telecast right, rights of reproduction, dubbing and all other rights in respect thereof; to carry out, undertake, organize and provide all facilities for research and development.

*\*Inserted vide Special Resolution dated February 2, 2007*

63. \*\*To buy, purchase, lease, receive, assemble, import, charter, hire, rent or otherwise acquire and / or to sell, re-sell, distribute, deal, lease, improve, manage, develop, exchange, alter, export, give, provide, hire-out, rent, lease out or otherwise deal in any manner, in all kinds of equipment, hardware, capital goods, dish antennas, consumer premises equipment, motor vehicles, automobiles, aircrafts, aero-engines, chattels, movable assets, plants and machinery etc. including all components, parts, accessories, equipment(s), apparatus, spares and consumables thereof, and to authorise anybody or any authority or Company to use the same or any part thereof, and/ or to establish and/or maintain any agencies in any part of the world or to enter into partnership, or into any arrangement for any of the above purposes.
64. \*\*\*To undertake Corporate Social Responsibility ("CSR") activities in terms of the provisions of the Companies Act, 2013 and Rules made thereunder or in such other manner as the Company deems fit.
65. \*\*\*To manufacture, assemble, put to place, set up, plant, establish, develop, acquire, purchase, launch, re-launch, hire, lease, time share, manage, maintain, operate, run, replace, sale, upgrade, or otherwise commercially exploit, ground station assets, satellite transponders, control sections, via uplink or downlink or otherwise for the purpose of transmitting, relaying, telecommunicating, broadcasting, narrowcasting, telecasting, any form of radio, video signals both terrestrially and spatially.
66. \*\*\*To plan, establish, develop, provide, operate and maintain cable and / or satellite based communications or broadcasting or telecommunication networks, systems, services including but not limited to cable / satellite based audio and video services, value added network services, data transmission, telephones, facsimile, television, paging cellular, mobile, maritime and aeronautical communication service and other telecommunication services as are in use elsewhere or to be developed in future and to act as satellite based service provider and carry on generation, distribution, redistribution, receiver, transmitter of audio, video and radio signals.
67. \*\*\*To provide consultancy services relating to telecommunication, channel & content, satellite, transponder, communication broad casting network systems, mobile systems, telephony, information technology and exploiting software associated with provision and management of telecommunication service.
68. \*\*\*To act as Internet Service Provider and undertake any and all kinds of internet / web based activities and transactions including but not limited to providing the internet access and data communication services, with or without content, by telecommunication networks, optical fibres or otherwise by any other means whatsoever, and to provide basic and value added internet service; to design, develop, sell, provide, maintain, market, buy, import, export, sell and license computer software, hardware, computer systems and programs products, services and to give our computer machine time and collecting, collating, devising other systems including software programs and systems.

*\*\*Amended and substituted vide Special Resolution dated March 25, 2016*

*\*\*\*Inserted vide Special Resolution dated March 25, 2016*

- IV. The liability of member(s) is limited and this liability is limited to the amount unpaid, if any, on shares held by them. <sup>\$\$</sup>
- V. “The Authorised Share Capital of the Company is Rs. 650,00,00,000 (Rupees six hundred and fifty crore) divided into 650,00,00,000 (six hundred and fifty crore) Equity Shares of Re. 1 (Rupee one) each. The Board of Directors of the Company shall have the power to classify the unclassified shares of the Company into several classes / kinds or vice versa, to divide the shares in the capital for the time being into several classes and attach thereto respectively such preferential, deferred, guaranteed, qualified or special rights, privileges and conditions as the Board of Directors may decide.” <sup>\$\$\$</sup>

<sup>\$\$</sup>*Amended vide Special Resolution dated March 25, 2016*

<sup>\$\$\$</sup>*Amended pursuant to Hon’ble National Company Law Tribunal, Mumbai Bench Order dated July 27, 2017 in Company Scheme Petition No. 471 of 2017 approving the Scheme of Arrangement amongst Videocon D2H Limited and Dish TV India Limited and their respective Shareholders and Creditors, with effect from March 22, 2018*

We, the several persons, whose names, addresses, and description and subscribed hereunder are desirous of being formed into a Company in pursuance to this Memorandum of Association and we respectively agree to take the number of shares in the Capital of the Company set opposite to our respective names.

Names, address Description and of Occupation of Subscriber	Number of Equity shares taken by each Subscriber	Signature Of Subscribers	Name, address and description of Witness
MAHENDER H KHANTED S/O Late Hastimal Khanted A/102 Sheetal Chaya 1st Floor S. V. Road Malad (West) Bombay 400 064  BUSINESS	10 (Ten)	Sd/-	Witness for both Sd/-
RAMESHKUMAR H KHANTED A 603 Sheetal Chaya 6TH Floor S. V. Road Malad (West) Bombay 400 064  BUSINESS	10 (Ten)	Sd/-	MOHANLAL BHANDARI S/o Late Ghewarchand Bhandari Sheel Chambers 10, Cawasji Patel Street Bombay 400 001  CHARTERED ACCOUNTANT

Bombay: Dated 20th July, 1988

THE COMPANIES ACT, 2013  
COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION\*



OF

**DISH TV INDIA LIMITED**

**PRELIMINARY**

Interpretation

1. Unless the context otherwise requires words or expressions contained in these Articles shall bear the same meaning as in the Act.

The marginal note effect the construction hereof and in these presents, unless there is something in the subject or context inconsistent therewith.

"The Act" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force.

"The Articles" means these Articles of Association as originally framed or as altered from time to time by Special Resolution.

"Beneficial Owner" shall mean beneficial owner as defined in Clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.

"Depository" shall mean a depository as defined in clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996.

"The Company" means DISH TV INDIA LIMITED

"The Directors" mean the Directors of the Company for the time being.

"Independent Director" shall have the meaning ascribed to it in the Act.

"Key Managerial Personnel" means a Key managerial personnel appointed in pursuance of Section 203 of the Act.

"Member" means the duly registered holder from time to time of the shares of the Company and includes the subscribers to the Memorandum of the Company and the beneficial owner as defined above.

"National Holiday" means the day declared as national holiday by the Central Government.

"The Office" means the Registered Office of the Company for the time being.

"The Register" means the Register of Members to be kept pursuant to the Section 88 of the Act.

"Seal" means the Common Seal of the Company.

"Share" means equity share as well as preference shares

\*New set of Articles adopted vide Special Resolution dated September 29, 2015



Words importing the singular number also includes the plural number and vice versa.

Word importing the masculine gender also include the feminine gender.

Words importing persons include corporations.

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| Table "F" not to apply | 2. | The Regulations contained in Table F, in the First Schedule to the Companies Act, 2013 or in the schedule to any previous Companies Act, shall not apply to this Company, but the regulations for the management of the Company and for the observance of members thereof and their representatives, shall, subject to any exercise of the statutory powers of the Company in reference to the repeal or alteration of, addition to, its regulations by Special Resolution, as prescribed by the said Companies Act, 2013, be such as are contained in these Articles. |
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### **SHARE CAPITAL AND VARIATION OF RIGHTS**

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| Authorised Capital | Share 3. | Subject to the provisions of the Act and these articles, the Authorised Share Capital of the Company shall be of such amount and be divided into such shares as may be provided in clause V of the Memorandum of Association of the Company, from time to time. The Board of Directors shall have the power to classify them into any class of shares and/ or any denomination, as the Board of Directors may decide. |
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| Allotment of shares under Board control | 4. | Subject to the provisions of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. |
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| Issue of Securities | 5. | The Company may issue Debentures, Debenture Stock or loan, loan stock, Global Depository Receipts (GDRs), American Depository Receipts (ADRs), Share Warrants or any other security convertible in to or exchangeable for the Shares of the Company or conferring the right to allotment or the option of right to call for allotment of shares of the Company, securities linked to Equity Shares, securities with Warrants, including Foreign Currency Convertible Bonds (FCCBs) and Foreign Currency Exchangeable Bonds (FCEBs) subject to, and in accordance with, applicable laws, including provisions of the Act, the Securities and Exchange Board of India (SEBI) Guidelines, Regulations and instructions and subject to other applicable legal and regulatory provisions to any eligible person, including Qualified Institutional Buyers, Foreign / resident investors, Indian and or Multinational Financial Institutions, Mutual Funds, Banks, Non-Resident Indians, stabilizing agents and any other categories of investors, whether they be holders of shares of the Company or not. |
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| Commission for placing share   | 6.  | The Company may, subject to compliance with provisions of Section 40 the Act, exercise the power of paying commission. Such Commission may be paid partly by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.  |
| Brokerage  | 7.  | The Company may pay on the Issues of shares or debentures such brokerage as may be lawful.  |
| Redeemable preference share  | 8.  | Subject to the provisions of the Act, the Company may issue Preference Shares which are, or at the option of the Company are liable to be redeemed or to be redeemed on such terms and in such manner as the Company may determine.   |
| Installments on shares to be duly paid                               | 9.  | If, by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments every such installment, shall, when due, be paid to the Company by the person who for the time being shall be the member registered in respect of the share or by his executor or administrator.  |
| Liability of joint holder of share                                   | 10. | Members who are registered jointly in respect of a share shall be severally as well as jointly liable for the payments of all instalments and calls due in respect of such shares.  |
| Trust not recognized   | 11. | Save as herein otherwise provided, the Company shall be entitled to treat the member registered in respect of any share as the absolute owner thereof and accordingly shall not, except as ordered by a Court of competent jurisdiction or as by statute required, be bound to recognize any equitable or other claim to or interest in such share on the part of any other person.   |
| Certificate  | 12. | <p><b>CERTIFICATES</b></p> <p>The certificate to title of shares and duplicates thereof when necessary shall be issued under the Seal of the Company in accordance, with the provisions of Section 46 of the Act and the rules prescribed by the Central Government for the said purposes as in force from time to time.</p>  |
| Member's right to certificate  | 13. | <p>Every member shall be entitled to one Certificate for all the shares registered in his name or, if the Directors so approve to several certificates each for one or more of such shares.</p> <p>Provided however that no share certificate(s) shall be issued in respect of the shares held in Depository.</p>   |
| Issue of new certificate in place of one defected, lost or destroyed | 14. | If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificates under the Article shall be issued without payment of fees if the Board so decide, or on payment of such fees as the Board shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. |



Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act or any other Act, or rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

#### **CALLS**

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| Calls  | 15. The Directors may, from time to time subject to the terms on which any shares may have been issued, and subject to Section 49 of the Act, make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively, and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the person and at the time and place appointed by the Directors.  |
| <p>A call may be made payable by installments, and shall be deemed to have been made at the time, when the resolution of the Directors authorizing such call was passed.</p> |  |
| When interest on a call or installment payable   | 16. If the sum payable in respect of any call or installment are not paid on or before the day appointed for payment thereof, the holder for the time being of the share in respect of which the call shall have been made for the installment shall be due, shall pay interest for the same from the day appointed for the payment thereof to the time of the actual payment at such rate as the Directors may determine. The Directors shall be at liberty to waive payment of any such interest wholly or in part.  |
| Amount payable at fixed time or by installments payable at calls   | 17. If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed times, whether on account of the amount of the share or by way of premium, every such amount or installment shall be payable as it were a call duly made by the Directors and of which due notice had been given and all the provisions herein contained in respect of calls shall relate to such amount or installment accordingly.   |
| Evidence in action by company against shareholders   | 18. Subject to the provisions of the Act and these Articles, on the trial or hearing of any action or suit brought by the Company against any shareholder or his representatives to recover any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the register of the Company as a holder, or one of the holders, of the shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who made any call, nor that a quorum of Directors was present at the meeting, at which any call nor that the meeting at which any call was made duly convened or constituted nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive of the debt. |
| Payment of call in advance   | 19. The Directors may, if they think fit, subject to the provisions of Section 50 of the Act, agree to and receive from any member willing to advance the  |

same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the company may pay interest at such rate, to the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.

Revocation of call      20.      A call may be revoked or postponed at the discretion of the Directors.

If call or installment not paid, notice may be given      21.      **FORFEITURE, SURRENDER AND LIEN**  
If any member fails to pay the whole or any part of any call or installment or any money due in respect of any shares either by way of principal or interests on or, before the day appointed for the payment of the same or any extension thereof as aforesaid, the Directors may at any time thereafter during such time as the call or installment remains unpaid or decree remains unsatisfied serve a notice on such member, or on the person (if any) entitled to share by transmission, requiring him to pay, such call or installment or such part thereof or other moneys as remains unpaid together with any interest that may have accrued and all expenses (legal or otherwise) that may have accrued/incurred by the Company by reason of such non-payment.

In default of payment shares may be forfeited      22.      If the requisitions of any such notice shall not be complied with, every or any share in respect of which the notice is given, may at any time thereafter, before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include dividend declared in respect of the forfeited shares and not actually paid before the forfeiture.

Notices of forfeiture to member      23.      The notice aforesaid shall:  
(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and  
(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

Notice of forfeiture shall be given to the member in whose name it stood immediately prior to forfeiture and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.



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| Forfeited share  | 24. | Every share so forfeited as aforesaid shall thereupon be the property of the Company and may be sold, re-allotted or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Board shall think fit. A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.  |
| Power to annul forfeiture  | 25. | The Directors may any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as they may think fit.   |
| Member shall be liable to pay money owing at the time of forfeiture and interest | 26. | Any member whose shares may be forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls and other money owing upon the shares at the time of the forfeiture with interest there on from the time of the forfeiture, until payment, at such rate as Directors may decide, and the Directors may enforce the payment thereof if they think fit and shall not be under any obligation to do so.   |
| Title of purchases and allottee of forfeited shares                              | 27. | The Company may receive the consideration, if any, given for the share on any sale or other disposition thereof and the person to whom such share is sold/ disposed of may be registered as the holder of the share, and he shall not be bound to see the application of the consideration, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceeding in reference to the forfeiture, sale or other disposal of the same.  |
| Directors may accept surrender of shares   | 28. | The Directors may at any time, subject to the provisions of the Act, accept the surrender of any share from or by member desirous of surrendering on such terms as the Directors may think fit.   |
| Company's lien on share / debentures   | 29. | <p>a) The Company shall have a first and paramount lien upon all the shares/ debentures (other than fully paid up shares/debentures) registered in the name of each member (whether solely or Jointly with others) and upon the proceeds of sale thereon for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares /debentures and no equitable interest in any share/debenture shall be created except upon the footing and condition that this article will have full effect. Any such lien shall extend to all dividends and bonus from time to time declared in respect of such shares/debentures.</p> <p>Unless otherwise agreed the registration of a transfer of shares/ debentures shall operate as a waiver of the Company's lien, if any, on such shares/debentures. The directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.</p> <p>b) The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:</p> |

Provided that no sale shall be made—



- i). unless a sum in respect of which the lien exists is presently payable; or
  - ii). until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
- c) i). To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.  
 ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.  
 iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- d) i). The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.  
 ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

#### **TRANSFER AND TRANSMISSION OF SHARES**

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| Form of transfer  | 30. | The Instrument of transfer shall be in the form as prescribed in rules made under Section 56, in writing and all the provisions of the Act and of any statutory modification thereof for the time being, shall be duly complied with, in respect of all transfer of shares and the registration thereof.  |
| Foreign register of members and form                        | 31. | The Company shall have power to keep foreign Register of Members or debenture holder in any country or state outside India as may be decided by the Board from time to time. If any shares are to be entered in any such register, the instrument of transfer shall be in a form recognized under the law of such country or state or in such form as may be approved by the Board.   |
| Company to maintain register and index of members           | 32. | The Company shall cause to be kept a Register and Index of Members in accordance with all applicable provisions of the Act and the Depositories Act, 1996 with details of shares held in material and dematerialized forms in any media as may be permitted by law including in any form of electronic media. The Company shall be entitled to keep in any state or country outside India a branch Register of Members Resident in that state or country. |
| Share to be numbered progressively                          | 33. | The shares in the capital shall be numbered progressively according to their several denominations & except in the manner herein before mentioned, no share shall be sub-divided, provided however, that the provisions relating to progressive numbering shall not apply to the share of the Company which are in dematerialized form.   |
| To treat the person as holders of shares whose name appears | 34. | Save as herein otherwise provided, the company shall be entitled to treat the person whose name appears on the Register of Member as the holder of any share or whose name appears as the beneficial owner of   |

in the Register of  
Members

shares in the records of the depository, as the absolute owner thereof & accordingly shall not except as ordered by a court of competent jurisdiction or as by law required, be found to recognize any benami trust or equity or equitable, contingent, future or partial or other claim or claims or right to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.

No notice of any trust express, implied or constructive shall be entered in the Register of Members or of debenture holders.

Company to  
dematerialize its  
shares, debentures etc.

35. The Company shall be entitled to dematerialize its existing shares, debentures and other securities and rematerialise its shares, debentures and other securities in a dematerialized form pursuant to the Depositories Act, 1996 and the rules framed thereby, if any.

Instrument of transfer

36. (i) The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.

(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the Register of Members in respect thereof.

Directors may refuse to  
register transfer

37. Subject to the provisions of the right of appeal conferred by Section 58 Act or any statutory modifications of the said provisions for the time being in force, the directors may, at their own absolute and uncontrolled discretion and without assigning any reason, decline to register or acknowledge any transfer of shares and in particular may so decline in any case in which the company has lien upon the shares or any of them whilst any money in respect of the shares desired to be transferred or any of them remain unpaid or unless the transfer is approved by the directors and such refusal shall not be affected by the fact that the proposed transferee is already a member. The registration of a transfer shall be conclusive evidence of the approval of the director of the transfer.

Additional requirements  
for transfer

38. The Board may decline to recognise any instrument of transfer unless—  
(a) The instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and  
(b) The instrument of transfer is in respect of only one class of shares.

Notice of refusal to be  
given to transferor and  
transferee

39. If the Company refuse to register the transfer of any share or transmission of any right therein, company within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, shall send notice of refusal to the transferee and the transferor or to the person giving intimation of the transmission, as the case may be, and thereupon the provisions of the Act or any statutory modification of the provisions for the time being in force shall apply.

Custody/destruction  
of the instrument of  
transfer

40. The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. Such instruments of transfer may be destroyed by the Company at the sole discretion of the Directors.

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| Closure of transfer books etc.  | <p>41. The Directors shall have power, on giving not less than seven days previous notice as required under Section 91 of the Act, to close the Register of members and debenture holders of the Company at such times and for such periods as the Board may from time to time determine:</p> <p>Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year</p>  |
| Registration of person entitle to shares otherwise than by transfer (transmission clause) | <p>42. Subject to the provisions of the Act and these Articles any person becoming entitled to a share in consequence of the death, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under these clauses, or of his title, as the Board may think sufficient and upon giving such indemnity as the Directors may require either be registered himself as the holder of the shares or elect to have some person nominated by him and approved by the Board, registered as such holder provided nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by execution, to his nominee of instrument of transfer of the shares in accordance with the provision herein contained, and until he does so, he shall not be free from any liability in respect of the share. This clause is herein referred to the "Transmission Clause".</p> |
| Register of Transfer  | <p>43. The company shall keep a book to be called "Register of Transfer" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any shares held in material form.</p>   |
| Provisions of Depository Act to apply   | <p>44. In case of transfer or transmission of shares or other marketable securities where the company has not issued any certificate and where such shares or securities are being held in an electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.</p>  |
| Refusal to register transmission of shares  | <p>45. Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee as if the transferee, named in an ordinary transfer presented for registration.</p>   |
| Board may require evidence of transmission  | <p>46. Every transmission of a share shall be verified in such manner as the Directors may require, and the Company may refuse to register any such transmission until the same be so verified, or until or unless an Indemnity be given to the Company with regard to such registration which the Board at its discretion shall consider sufficient provided nevertheless that there shall not be any obligation on the Company or the Board to accept any Indemnity.</p>   |
| Fee on transfer or transmission   | <p>47. The Company will not make any charge for:-</p> <ul style="list-style-type: none"> <li>(a) Registration of transfer/transmission of its shares and debentures;</li> <li>(b) Subdivision and consolidation of shares and debenture certificates and subdivision of letters of Allotment and split, consolidation or Renewal and Pucca Transfer Receipts into denominations corresponding to the market units of trading;</li> <li>(c) Subdivision of renouncable Letters of Rights; and</li> </ul>  |





(d) Registration of any power of attorney, probate, succession certificate and letter of administration, certificate of death or marriage or similar other documents.

Power to withhold benefits 48. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

The Company not liable for disregard of a notice-registration of a transfer 49. The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made, by any apparent legal owner thereof (as shown or appearing in the Register) to the prejudice of persons having or claiming any equitable right, title, or interest to or in the same shares notwithstanding that the Company have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give notice which may be given to them of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting to do so though it may have been entered or referred to in some books of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Directors shall so think fit.

#### **INCREASE, REDUCTION AND ALTERATION IN AUTHORISED, ISSUED AND SUBSCRIBED CAPITAL**

Increase of authorized share capital 50. The Company may from time to time in general meeting by ordinary resolution alter the conditions of its memorandum by increase of authorized share capital by creation of new shares of such amount as it thinks expedient.

Increased capital same as original capital 51. Except so far as may be otherwise provided by the conditions of issue or by these present, any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provisions herein contained, here in considered with reference to the payment of calls and installments, transfer and transmission, forfeiture, lien, surrender, voting and otherwise.

Reduction of capital 52. The Company may (subject to the provisions of the Act) from time to time by special resolution reduce its share capital or any Capital Redemption Reserve Account or Shares Premium Account in any way authorized by law and in particular may pay off any paid up share capital upon the footing that it may be called up again, or otherwise, and may, if and as far as is necessary, alter its Memorandum by reducing the amount of its share capital and of its shares accordingly

## Buy Back of Shares

53. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities (hereinafter referred to "Buy-Back") out of:-

- (a) its Free Reserve; or
- (b) the Securities Premium Account; or
- (c) the proceeds of any Shares or other specified securities,

in accordance with the provisions of the Act and Rules prescribed by the Central Government and/or by Securities and Exchange Board of India in this behalf, provided that nothing herein contained shall be deemed to affect the provisions of the Act and these Articles regarding reduction of capital in so far as and to the extent they are applicable. The Company shall also have the power to re-issue the shares so bought back.

## Consolidation, division and sub division

54. Subject to the provisions of section 61, the company may, by ordinary resolution in general meeting after the conditions of Memorandum as follows :

- (a) Consolidate and divide all or any of its share capital into share of larger amount than its existing shares.
- (b) Sub-divide its shares or any of them into shares of smaller amount than originally fixed by the Memorandum, subject nevertheless to the provision of the Act and of these Articles.
- (c) Cancel shares, which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
- (d) Convert all or any of its fully paid up shares into stock, and
- (e) reconvert that stock into fully paid up shares of any denomination.

## JOINT HOLDERS

## Joint holders

55. Where two or more persons are registered as the holder of any shares, they shall be deemed to hold the same as joint tenants with benefits of survivorship subject to the following and other provisions contained in these Articles :

- a) On the death of any such joint holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title or interest in the share but the Directors may require such evidence of death as they deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.
- b) Any one of the joint holders may give effectual receipt of any dividends or other moneys payable in respect of such shares.
- c) Only the person whose name stands first in the Register as one of the joint holder of any share, shall be entitled to delivery of the certificate relating to such shares or to receive documents (which expression shall be deemed to include all documents required to be delivered as per the Act) from the Company and documents served on or sent to such person shall be deemed as good service on all the joint holders.
- d) Any one of two or more joint holders may vote at any meeting either personally or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at



any meeting personally or by proxy then one of such persons so present whose name stands first or higher (as the case may be) on the Register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint holders present at any meeting personally shall be entitled to vote in preference to a joint holder present by proxy and stands first or higher (as the case may be) in the register in respect of such shares. Several executors or administrators of deceased member in whose (deceased member's) sole name any share stands shall for the purpose of this sub clause be deemed joint holders.

Power to borrow

56. Subject to the provisions of the Act and these Articles and without prejudice to the other powers conferred by these Articles, the Directors shall have the power from time to time at their discretion to accept deposits from members of the company either in advance of calls or otherwise and generally to raise or borrow or secure the payment of any sum of money for the purpose of the Company, provided that the aggregate of the amount borrowed (apart from temporary loans as defined in Section 180 of the Act obtained from the Company's bankers in the ordinary course of business) and remaining outstanding and undischarged at that time, shall not without the consent of the Company in general meeting, exceed the aggregate of the paid up capital of the company and its free reserves, that it to say reserves not set apart for any specific purpose.

Conditions on which money may be borrowed

57. Subject to the provisions of the Act and these Articles, the Board may raise and secure the payment or repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular by the issue of bonds, perpetual or redeemable debentures, debenture stock or any mortgage or charge or other security on the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

Bonds, debentures etc. to be under the control of Directors

58. Any bonds, stocks or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefits of the Company.

Issue at discount etc. or with special privilege

59. Any bonds, debentures, debentures stock, or other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending at general meetings provided that debentures with the right of conversion into shares shall not be issued except in conformity with the provisions of Section 62 of the Act or any modification thereof.

Indemnity may be given

60. Subject to the provision of the Act and these Articles, if the Directors or any of them or any other person shall incur or about to incur any liability as surety for the payment of any sum primarily due from the Company, the board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

Mortgage of uncalled capital

61. If any uncalled capital of the Company is included or charged by any mortgage or other security, the Directors shall subject to the provisions of

the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.

#### **GENERAL MEETING**

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| Annual General Meeting   | 62. Subject to the provisions of the Act, the Company shall hold from time to time as provided by the Act, in addition to any other meeting or general meeting as its Annual General Meeting at the intervals and in accordance with the provisions of the Act.  |
| Participation by shareholders in the General Meeting through Electronic Mode | 63. Subject to the provisions of the Act and any other Law, any Notification, Circular issued by the Central Government or any other Government authority/ department, the shareholder(s) of the Company may participate in the General Meeting(s) of the Company through Electronic Mode/ video conferencing or any other mode permissible from time to time.   |
| Extraordinary General Meeting  | 64. Subject to the provisions of Section 100, the Board may, whenever, it thinks fit, call a General Meeting other than an Annual General Meeting, to be called an Extraordinary General Meeting .The Board shall also call an Extraordinary General Meeting upon receipt of a requisition in writing by any member or members holding in the aggregate not less than one tenth of such of the paid up capital of the Company as at that date carries the right of voting in regard to the matter in respect of which the requisition has been made. |

#### **PROCEEDINGS AT GENERAL MEETING**

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| Quorum of General Meeting                                  | 65. (i) No business shall be transacted at any General Meeting unless a quorum of members is present at the time when the meeting proceeds to business.<br>(ii) Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in Section 103.   |
| If Quorum not present meeting to be dissolved or adjourned | 66. Subject to the provisions of the Act, if at the expiration of half an hour from the time appointed for the meeting a quorum of members, shall not be present, the meeting, if convened by or upon the requisition of members shall stand cancelled, but in any other case it shall stand adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday, at the same time and place or to such other day and at such other time and place, as the Board may determine. |
| Chairman of the meeting                                    | 67. The Chairman or in his absence the Managing Director of the Company shall be entitled to take the chair at every General Meeting whether Annual or Extraordinary. If there be no such Chairman or Managing Director or if at any meeting neither of them be present within fifteen minutes of the time appointed for holding such meeting then any one of the directors present shall be elected to be Chairman of a general meeting by the members present at the meeting.   |
| Member as Chairman   | 68. If at any general meeting, the quorum is present and the chair is not taken by a Director at the expiration of half an hour from the time appointed for holding the meeting or if before the expiration of half an hour from the time appointed for holding the meeting all the directors decline to take the   |

chair, the members present shall on a show of hands choose one of their own member to be the chairman of the meeting.

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| Business confined to election of Chairman whilst chair is vacant             | 69. | No business shall be transacted at any General Meeting except the election of a Chairman, whilst the chair is vacant.  |
| Chairman with consent to adjourn meeting                                     | 70. | The Chairman may with the consent of any meeting at which quorum is present and shall if so directed by the meeting, adjourn any meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at meeting from which the adjournment took place.  |
| Notice to be given where a meeting is adjourned                              | 71. | <p>When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of original meeting.</p> <p>Save as aforesaid, it shall not be necessary to give any notice of adjournments or the business to be transacted at adjourned meeting.</p>   |
| Casting vote of the chairman   | 72. | In case of equality of votes, whether on a show of hands or on a poll, the chairman of the meeting, shall be entitled to a casting vote, in addition to his own vote or votes to which he may be entitled as member.   |
| Minutes of General meeting   | 73. | <p>The Company shall cause to be kept minutes of all proceedings of General Meetings which shall contain a fair and correct summary of the proceedings there at and a book containing such minutes shall be kept at the office of the Company and shall be open, during business hours for such periods not being less in the aggregate than two hours in each day as the directors may determine to the inspection of any member without charge.</p> <p>Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting:</p> <ul style="list-style-type: none"> <li>(a) is, or could reasonably be regarded as defamatory of any person;</li> <li>(b) is irrelevant or immaterial to the proceedings; or</li> <li>(c) is detrimental to the interest of the Company.</li> </ul> <p>The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds. Any such minutes, if purporting to be signed by the Chairman of the meeting at which the proceedings took place or by the Chairman of the next succeeding meeting shall be prima facie evidence of the proceedings.</p> |
| Participation through Electronic Mode : Shareholder's Meeting/ Postal Ballot | 74. | Notwithstanding anything contrary contained in the Articles of Association of the Company, the Company may provide Video Conference facility, Electronic Postal Ballot Voting mechanism, and/or any other permissible electronic or communication facility to enable the Shareholders of the Company to participate in General Meeting(s) and / or vote on matters requiring approval of the Shareholder(s) of the Company. Such participation by the Shareholder(s) at General Meeting(s) or in the Postal Ballot voting process of the Company through Video Conference facility, e-mail or approved electronic platforms and/or use of any other  |



permissible electronic or communication facility shall be subject to the Rules, Guidelines and Permissions issued / laid down by the Regulatory / Statutory Authorities in this regard and shall be governed by Legal or Regulatory Provisions applicable to the Company from time to time.

#### **VOTES OF MEMBERS**

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| Votes may be given by proxy          | 75. Subject to the provisions of the Act and these Articles, votes may be given either personally or by proxy or in the case of a body corporate, also by a representative duly authorized under the Act.   |
| Deposit of instrument of appointment | 76. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or notarial certified copy of that power or authority, shall be deposited at the office not less than forty eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid .  |
| Form of proxy                        | 77. An instrument appointing a proxy shall be in the form as prescribed in the rules made under Section 105.  |
| Voting rights                        | <p>78. Subject to the provisions of the Act and particularly of Section 47 and rules thereof and of these Articles :</p> <ol style="list-style-type: none"> <li>1) Upon a show of hands every member holding equity shares and entitled to vote and present in person (including as attorney or a representative of a body corporate) shall have one vote.</li> <li>2) Upon a poll, the voting right of every member holding equity shares and entitled to vote and present in person (including a body corporate present as aforesaid) or by proxy shall be entitled to vote in proportion to his share in the paid-up equity capital of the company.</li> <li>3) The voting right of every member holding preference shares, if any, shall upon a show of hands or upon a poll be subjected to the provisions, limitations and restrictions laid down in Section 47 of the Act.</li> </ol>  |
| Variation of Shareholders Rights     | <p>79. (a) If at any time the Share Capital is divided into different classes of shares, rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to provisions of the Act and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three fourths of the issued shares of that class, or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate General Meeting, the provisions of these Articles relating to General Meeting shall, to the extent consistent, apply.</p> <p>(b) The rights conferred upon the holders of the shares of any class with preferred or other rights shall not, unless otherwise expressly provided by terms of the issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.</p> |



No voting by proxy on show of hands	80.	No member present only by proxy shall be entitled to vote on a show of hands, unless such member is a corporation, present by a proxy who is not himself a member, in which case such proxy shall have a vote on the show of hands as if he was a member.
Restriction on exercise of voting right	81.	Subject to the provisions of the Act, no member shall be entitled to voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him, have not been paid or in regard to which the company has and has exercised any right or lien.
Votes in respect of shares of deceased, insolvent members	82.	Any person entitled under the "Transmission Clause" (Article 42 hereof) to transfer any shares, may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting as the case may be, at which he proposes to vote, he shall satisfy the Board of his right to transfer such shares unless the board shall have previously admitted his right to vote at such meeting in respect thereof.
Right of members to use his votes differently	83.	On a poll taken at a meeting of the company, a member entitled to more than one vote, or his proxy, or other person entitled to votes for him as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.
Validity of votes given by proxy, notwithstanding death etc., of member	84.	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous insanity or lunacy or death of the principal or revocation of the proxy or any power of attorney, as the case may be, under which such proxy was signed, or the transfer of share in respect of which the vote is given provided that no intimation in writing of the insanity, lunacy, death, revocation or transfer shall have been received at the office before the meeting.
Time for objection to vote	85.	Subject to the provisions of the Act and these Articles no objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote, whether given personally or by proxy or by any means hereby authorized and not disallowed at such meeting or poll, shall be deemed valid, for all purposes of meeting or poll whatsoever.
Chairman of any Meeting to be the judge of validity of any vote	86.	The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll
Number of Directors	87.	<b>DIRECTORS</b> Unless otherwise determined by a general meeting and subject to Section 149 of the Act, the number of directors shall not be less than three and not more than fifteen.
Appointment of Alternate Directors	88.	Subject to provisions of Section 161, the Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a period of not less than three months from India. An Alternate Director appointed under this article shall vacate office if and when the Original Director returns to India. If the terms of office of the Original Director is determined before he so returns to India, any provision

in the said Act or in these articles for the automatic re-appointment of retiring directors in default of another appointment shall apply to the Original Director and not to the Alternate Director.

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| Additional Directors  | 89. Subject to provisions of Section 152, 161 and 169 of the Act, the Board of Directors may appoint any person other than a person who fails to get appointed as a Director in a General Meeting, as an Additional Director at any time who shall hold office up to the date of the next Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier and any person so appointed shall retain his office only until the next Annual General Meeting.   |
| Casual Vacancy  | 90. If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board and the Director so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated.   |
| Nominee Director  | 91. The Board may appoint any person as a director nominated by any institution, body corporate or Government in pursuance of the provisions of any law for the time being in force or of any agreement   |
| Qualification shares of Directors                                   | 92. A director shall not be required to hold any qualification shares and a person may be appointed as a director notwithstanding that he holds no shares in the company.   |
| Sitting Fee   | <p>93. (a) Each director may be paid out of the funds of the company by way of sitting fee such sum as the board may fix upto such amount as may be prescribed, from time to time under the applicable provisions of the Act. The said sitting fees shall be payable per meeting of the board or any committee thereof attended by the director or member thereof.</p> <p>(b) In addition to the sitting fee, directors may be paid all traveling, hotel and other expenses properly incurred by them in attending and returning from the meetings of the board of directors or any committee thereof or general meetings of the company.</p> |
| Directors Remuneration  | 94. Subject to the provisions of Section 197 of the Act, if any Director be called upon to perform extra services or make special exertions or efforts (which expression shall include work done by a director as a member of any committee formed by the Directors) the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by fixed sum or otherwise as may be determined by the Board.   |
| Expenses incurred by a Director for going out on Company's business | 95. If any Director be called upon to go or reside out of the State where the Registered Office is situated for the Company's business and if any Director who has a usual place of residence outside the State where the Registered Office is situated is called upon to come to the State where the Registered Office is situated for Company's business or if such Director is required to go to any other station directly from his usual place of residence he shall be entitled to be repaid any travelling or other expenses incurred in connection with the business of the Company.  |



When office of director  
to be vacated

96. Subject to Section 167 of the Act, the office of a Director shall be vacated if:

- i. he incurs any of the disqualifications specified in Section 164;
- ii. he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board;
- iii. he acts in contravention of the provisions of Section 184 relating to entering into contracts or arrangements in which he is directly or indirectly interested;
- iv. he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of Section 184;
- v. he becomes disqualified by an order of a court or the Tribunal;
- vi. he is convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months:

Provided that the office shall be vacated by the Director even if he has filed an appeal against the order of such court;

vii. he is removed in pursuance of the provisions of this Act;

viii. he, having been appointed a Director by virtue of his holding any office or other employment in the Holding, Subsidiary or Associate Company, ceases to hold such office or other employment in that Company.

Directors may act  
notwithstanding  
vacancy

97. The continuing directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by the Articles of the Company as necessary quorum of directors, the continuing director or directors may act for the purpose of increasing the number of directors to that number or for summoning a General Meeting, but for no other purpose.

Director may  
contract with  
Company

98. A Director or his relative, a firm in which such Director or relative is a partner, any other partner in such a firm or a private Company of which the Director is a member or Director may enter into any contract with the Company for the sale, purchase or supply of goods, materials, services or for underwriting the subscription of any shares in or debentures of the Company provided that the sanction of the Board is obtained by a resolution passed at its meeting before or within two months of the date on which the contract is entered into in accordance with Section 188 of the Act. No sanction, however, shall be necessary for any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis. The Director, so contracting or being so interested, shall not be liable to the Company for any profit realised by any such contract by reason of such Director holding that office, of the fiduciary relation thereby established, but it is declared that the nature of his interest must be disclosed by him at a

meeting of the Board at which the contract is determined, if his interest then exists or in any other case at the first meeting of the Board after the acquisition of his interest.

- Disclosure of interest      99. (1) For the purposes of Article 97, a general notice given to the Board by a Director at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board Meeting held after such change, disclose his concern or interest in any company or companies or bodies corporate, firms or other association of individuals which shall include the shareholding, in such manner as may be prescribed.
- (2) Every Director of a Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into:
- a. with a body corporate in which such Director or such Director in association with any other Director, holds more than two per cent shareholding of that body corporate or is a Promoter, Manager, Chief Executive Officer of that body corporate; or
  - b. with a firm or other entity in which, such Director is a partner, owner or member, as the case may be;

shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in such meeting.

- Interested Director not to participate or vote in Board's proceedings      100. No Director shall as a Director, take any part in the discussion of or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangement, nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does vote, his vote shall be void;

This article is subject to the provisions of Section 184 of the Act.

- Directors may be Directors of Company promoted by the Company      101. A Director may be or become a Director of any Company promoted by the Company or in which it may be interested as a vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as a Director or shareholder of such Company except in so far as Section 197 or Section 188 of the Act may be applicable.

- Retirement of the Directors      102. Subject to provisions of Sections 149 and 152 of the Act and these Articles, not less than two third of the total number of directors of the Company shall be person whose period of office is liable to determination by retirement of Director by rotation. At every Annual General Meeting of the Company, one third of the directors whose period of office is liable to retire by rotation for the time being of the Company shall retire by rotation. If the number to retire is not three or multiple of three, then the number nearest to one third shall retire from office. The directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became directors on the same day, those who are to retire shall, in

default and subject to an agreement among themselves, be determined by lot.

Eligibility for re-election	103.	A retiring Director shall be eligible for re-election.
Company to appoint successors	104.	Subject to the provision of the Act, the Company at the General Meeting at which a Director retires in manner aforesaid, may fill up the vacancy by electing the retiring Director or some other person thereto.
Provisions in default of appointment	105.	<p>(a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place or if that day is a national holiday, till the next succeeding day which is not a holiday, at the same time and place.</p> <p>(b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless:</p> <ol style="list-style-type: none"> <li>at that meeting or at the previous meeting a resolution for the re-appointment of such Director has been put to the meeting and lost;</li> <li>the retiring Director has, by notice in writing addressed to the Company or the Board, expressed his unwillingness to be so re-appointed;</li> <li>he is not qualified or disqualified for appointment;</li> <li>a resolution, whether special or ordinary, is required for the appointment or re-appointment by virtue of any provisions of the Act or</li> <li>Section 162 is applicable to the case.</li> </ol>
Company may increase or reduce the number of Directors	106.	Subject to Section 149 of the Act the Company may, by ordinary resolution, from time to time, increase or reduce the number of directors and the Company may, (subject to the provisions of Section 169 of the Act) remove any Director before the expiration of his period of office and appoint another qualified person in his place. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.
Notice of candidature for office of Director except in certain cases	107.	No person not being a Retiring Director, shall be eligible for appointment to the office of Director at any General Meeting, unless he or some other member intending to propose him has, at least fourteen clear days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of Director or intention of such member to propose him as a candidate for that office, along with the deposit of one lakh rupees or such higher amount as may be prescribed which shall be refunded to such person or as the case may be, to the member, if the person proposed gets elected as a Director or gets more than twenty-five per cent of total valid votes cast either on show of hands or on poll on such resolution.

Resignation 108. Subject to the provisions of the Act, a director may resign his office at any time by notice in writing addressed to Company or to the board of directors.

#### KEY MANAGERIAL PERSONNEL

Appointment of Key Managerial Personnel 109. Subject to the provisions of the Act,-

- (i) The Company shall have appoint the following whole-time Key Managerial Personnel by means of a resolution of the Board on such terms and at such remuneration and such conditions as it may think fit :
  - a. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-Time Director;
  - b. Company Secretary; and
  - c. Chief Financial Officer
- (ii) A Director may be appointed as Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.

Appointment of Chairperson of the Company 110. Notwithstanding anything contained in Section 203 or any other provisions of the Act, the Board may appoint or re-appoint an individual as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company at the same time.

#### PROCEEDING OF DIRECTOR'S MEETING

Meeting of Directors 111. i. Subject to the provisions of Section 173 of the Act, the directors may meet together for Board Meetings for the conduct of business from time to time and shall hold a minimum number of four meetings of its Board of Directors every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board and they may adjourn and otherwise regulate their meetings as they think fit.

Participation through Electronic Mode – Board / Committee Meetings 112. Notwithstanding anything contrary contained in the Articles of Association of the Company, the Director(s) of the Company may participate in Meeting(s) of the Board and / or Committees thereof, through Video Conference facility and/or any other permissible electronic or communication facility. Such participation by the Director(s) at Meeting(s) of the Board and Committees thereof, through Video Conference facility and/or use of any other permissible electronic or communication facilities shall be subject to the Rules, Guidelines and Permissions issued / laid down by the Regulatory / Statutory Authorities in this regard and shall be governed by Legal or Regulatory Provisions applicable to the Company from time to time.

Notice of Meetings 113. Subject to provisions of Section 173 of the Act, notice of not less than seven days of every meeting of the Board of Directors of the Company shall be given in writing to every Director at his address registered with the company.

A meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one Independent Director, if any, shall be present at the meeting.



#### Quorum

114. Subject to Section 174 of the Act, quorum for a meeting of the Board shall be one third of its total strength (excluding Director, if any, whose place be vacant at the time and any fraction contained in that one third being rounded off as one) or two directors whichever is higher. Provided that where at any time the number of interested directors exceed or is equal to two-third of the total strength, the number of the remaining directors, that is to say, the number of directors who are not interested, being not less than two, shall be the quorum during such time.

Provided further that participation by a Director in the Meeting of Directors and / or Committees thereof through use of Video Conference or any other electronic or any other permissible electronic or communication facility, as permitted by applicable laws from time to time, shall be counted for the purpose of quorum, subject to the applicable Legal or Regulatory provisions applicable to the Company from time to time.

#### When meeting to be convened

115. A Director may at any time and the Secretary upon the request of a Director shall convene a meeting of the Board by giving a notice in writing to every Director at his address registered with the Company.

#### Adjournment of meeting

116. If a meeting of a board cannot be held for want of a quorum, then the meeting shall stand adjourned to such day, time and place as the director or directors present at that time may fix. Notice of the adjournment of the meeting shall be given to all the directors in the manner prescribed.

#### Chairman

117. The Board may from time to time elect one of their member to be the chairman of the board of directors and determine the period for which he is to hold office.

#### Who to preside at the meeting of the board

118. All meetings of the directors shall be presided over, by the chairman, if present, but if at any meeting of the directors the chairman is not present at the time appointed for holding the same, the board shall choose one of the directors then present to preside at the meeting.

#### Question at Board meeting how decided (casting vote)

119. Questions arising at any meeting shall be decided by a majority of votes, and in case of an equality of votes, the Chairman of the meeting (whether the chairman appointed by virtue of these Articles or the directors, presiding at such meeting) shall have second or casting vote.

#### Directors may Appoint Committee

120. Subject to the provisions of Section 179 of the Act, the directors may delegate any of their powers to Committees consisting of any such members of their body as they think fit, and may from time to time revoke and discharge any such committee either wholly or in part, and either as to persons or purposes, but every committee so formed shall, in the exercise of powers so delegated, conform to any regulations that may from time to time be imposed on it by the directors. All acts done by any such committee in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the board. The board may from time to time fix the remuneration to be paid to any member or members of their body constituting a committee appointed by the board in terms of these articles, and may pay the same.



Meeting of the Committee, how to be governed

121. The meeting and proceedings of any such committee shall be governed by the provisions herein and/or in the Act contained for regulating the meetings and proceedings of directors so far as the same are applicable thereto, and are not superseded by any regulation made by the directors under the last preceding Article.

A committee may elect a Chairperson of its meetings. However, if at any meeting the chairperson is not present at the time appointed for holding the same, the members shall choose one of the members then present to preside at the meeting.

Resolution by Circulation

122. No resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the directors or members of the committee, as the case may be, at their addresses registered with the Company in India by hand delivery or by post or by courier or through such electronic means as may be prescribed and has been approved by a majority of the directors or members, who are entitled to vote on the resolution.

A resolution passed as above shall be noted at a subsequent meeting of the Board or the committee thereof, as the case may be and made part of the minutes of such meeting.

Act of director or committee valid notwithstanding defect in appointment

123. Subject to the provisions of the Act, and these articles all acts done by any meeting of the directors or a committee of directors or by any person acting as a director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such directors or persons acting as aforesaid or that every or any of these were or was disqualified be as valid if every such person has been duly appointed and was qualified to be Director.

Provided that nothing in this article shall be deemed to give validity to acts done by a Director after his appointment has been noticed by the Company to be invalid or to have terminated.

Minutes of proceedings of Directors and Committees to be kept

124. In terms of the provisions of Section 118 of the Company, the directors shall cause minutes to be duly entered in a book or books provided for the purpose:
- i. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
  - ii. All appointments made at any of the meetings aforesaid shall be included in the minutes of the meeting.
  - iii. In the case of a meeting of the Board of Directors or of a committee of the Board, the minutes shall also contain-
    - a. the names of the directors present at the meeting; and
    - b. in the case of each resolution passed at the meeting, the names of the directors, if any, dissenting from or not concurring with the resolution.

Any such minutes of any meeting of the Board or of any committee of the Board if purporting to be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting, shall be received as prima facie evidence of the matters stated in such minutes

#### POWERS OF THE BOARD OF DIRECTORS

Power to appoint  
Whole time Directors  
and Manager

125. 1) Subject to the provisions of the Act, the Board shall be entitled to exercise all such powers, and to do all acts in furtherance of its objects, specified in the Memorandum of Association for which the Company is established, except such powers as are required by the Act or the Memorandum or Articles of Association of the company to be exercised or done by the Company in the General Meeting. In exercising any such power or doing any such acts or things, the board shall be subject to the provisions contained in that behalf in the Memorandum or Articles of the company or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the company in general meeting.
- 2) No regulations made by the company in general meeting shall invalidate any prior act of the board which would have been valid if that regulation had not been made.

Managing Director,  
Whole Time Director  
and Manager

126. Subject to the provisions of Section 196 and 197 and other applicable provisions of the Act, the directors may from time to time appoint one or more of their body to be a Managing Director or Managing Director(s) in which expression shall be included a Joint Managing Director or Whole-Time Director of the Company for such terms not exceeding five years at a time as they may think fit, to manage the affairs and business of the Company and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from the office and appoint another or others in his or their place or places.

Board to decide powers  
etc.

127. a) Subject to the provisions of the Act, the Board may, from time to time, entrust to and confer upon a Managing Director for the time being such of the powers exercisable under these presents by the Board as it may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it thinks fit, and the Board may confer such powers either collaterally with, or to the exclusion of, and in substitution for any of the powers of the Board in that behalf and may, from time to time, revoke, withdraw, alter or vary all or any of such powers.
- b) The remuneration of a Managing Director shall be such as may from time to time fixed by the board subject to the provisions of the Act and approval of the shareholders in General Meeting and may be by way of fixed salary or commission from profits of the Company or by participation in any such profits or by any of all these modes.
- c) The Managing Director shall not while he continues to hold that office be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the retirement of director or in fixing the number of directors to retire subject to the provisions of any contract between him and the Company. He shall, however, be

subjected to the same provisions as to resignation and removal as the other directors of the Company and he shall ipso facto and immediately cease to be Managing Director, if he ceases to hold the office of the director for any causes.

#### THE SEAL

The Seal, its custody and use 128. The board shall provide a common seal for the purpose of the company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof, and the board shall provide for the safe custody of the seal for the time being, and the seal shall never be used except by or under the authority of the board or a committee of directors.

Deeds, how to be signed 129. Every deed or other instrument to which the seal of the company is required to be affixed, shall unless the same is executed by a duly constituted attorney of the company, be signed by any of the Directors or authorized officers of the Company.

#### DIVIDENDS

Division of Profit 130. The profits of the Company, subject to special right, if any, relating thereto created or authorized to be created by the Memorandum or these Articles, and subject to the provisions of these articles shall be divisible among the members, in the manner decided by the Board, in proportion to the amount of capital paid upon the shares held by them respectively. Provided always that subject as aforesaid and capital paid up on a share during the period in respect of which a dividend is declared shall unless the board otherwise determine only entitle the holder of such share to an apportioned amount of such dividend as from the date of payment.

Dividend in proportion to amount paid up 131. The Company may pay dividends in proportion to the amount paid up or credited as paid up on each share, where a large amount is paid up or credited as paid up on some shares than on others.

Company in General meeting may declare a dividend 132. The Company in general meeting may declare a dividend to be paid to the members according to their right and interest in the profits and subject to the provision of the Act, may fix the time for payment. When a dividend has been so declared the warrant in respect thereof shall be posted within thirty days from the date of declaration to the shareholder entitled to the payment of the same.

Dividend out of Profit 133. Subject to the provisions of the Act and in particular Section 123 thereof, no dividend shall be payable except out of the profit of the year or any other undistributed profits of the Company and the declaration of the directors as to the dividend amount of the net profits of the company shall be conclusive.

Interim Dividend 134. Subject to the provisions of the Act, the directors may from time to time pay to the members on account of the next forthcoming year such interim dividends as in their judgment the position of the Company justifies.

No member to receive dividend whilst indebted to company and company's right of 135. No member shall be entitled to receive payment of any interest or dividend in respect of his share or shares whilst any moneys may be due or owing from him to the company in respect of such shares either along or jointly with any other person or persons and the directors may deduct





- reimbursement thereof. from the interest or dividend payable to any member all sums of money so due from him to the company.
- Unclaimed dividend 136. No unclaimed dividend shall be forfeited by the board unless the claim thereto becomes barred by law and the Company shall comply with all the provisions of the Act in respect of unclaimed or unpaid dividend.
- Dividend how remitted 137. Unless otherwise directed by any member any dividend may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled or in case of joint holders to the one of them first named in Register of Members in respect of the joint holding to such person and to such address as the member of joint holder may in writing direct.
- Every such cheque or warrant shall be made payable to the order of the person to whom it is sent, the company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost to the member or person entitled thereto, by the forged endorsement or for any dividend lost to the member or person entitled thereto, by the forged endorsement of the cheque or warrant or the fraudulent recovery thereof by any other means.
- Dividend and call together 138. Any general meeting declaring a dividend may make a call on the members for such amount as the meeting fixes, but so that the call made earlier on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend, and that the dividend may, if so, arranged between the company and the members, be set off against the calls.

### CAPITALIZATION

- Capitalisation 139. 1) Any general meeting may resolve that any amount standing to the credit of the Share Premium Account or the capital redemption reserve account or any moneys, investments or other assets forming part of the undivided profits (including profits or surplus moneys arising from the realization and where permitted by law, from the appreciation in value of any capital assets of the company) standing to the credit of the general reserve, or any reserve fund, or any other fund of the company or in the hands of the company and available for dividend may be capitalized. Any such amount (excepting the amount standing to the credit of the share premium account and / or the capital redemption reserve account) may be capitalized :
- (a) by the issue and distribution as fully paid shares, debenture stock, bonds or other obligations of the Company, or;
- (b) by crediting the shares of the Company which may have been issued and are not fully paid up, with the whole or any part of the sum remaining unpaid thereon.

Provided that Share Premium Account and Capital Redemption Reserve Account may be applied in accordance with the provisions of the Act only.

- 2) Subject to the provisions of the Act and these Articles, in case, whether some of the shares in the Company are fully paid and others are partly paid only, such capitalization may be effected by distribution of further shares in respect of the fully paid shares, and/or by crediting the partly paid shares with the whole or part of the unpaid liability thereon but so that as between the holders of the fully paid shares, and the partly paid shares, the sum so applied in payment of such further shares and in the extinguishing or diminution of the liability on the partly paid shares shall be applied pro rata in proportion to the amount already paid or credited as paid on the existing fully paid and partly paid shares respectively.

Board's power to issue fractional certificate/ coupon etc.

140. The Board shall have power:

- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
- (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.

#### ACCOUNTS

Books of Account to be kept

141. The Company shall keep proper books of accounts as required by the Act and in particular in accordance with the provisions of Section 128 and 129 of the Act.

The books of account aforesaid and other relevant papers may be kept at such other place in India as the Board of Directors may decide.

Financial Statements to be furnished to General Meeting

142. The board of directors shall lay before each annual general meeting a duly authenticated Financial Statements alongwith its report made up in accordance with the provisions of the Act.

Copies of Statements of Accounts to be sent to members & others

143. A copy of the financial statements, including consolidated financial statements, if any, auditor's report and every other document required by law to be annexed or attached to the financial statements in such form as may be prescribed from time to time pursuant to Section 136 of the Act, shall be sent to every member of the Company, to every trustee for the debenture-holder of any debentures issued by the Company and to all persons other than such member or trustee, being the person so entitled, not less than twenty-one days before the date of the meeting, at which such documents are to be laid.

Accounts when audited and approved to be conclusive  
Inspection of books of account by members

144. Every statement of account of the company when audited and adopted by a general meeting shall be conclusive.

145. Subject to the provisions of the Act, the Board shall from time to time determine whether and to what extent and at what time and place and

under what conditions the books or papers of the Company or any of them shall be open to the inspection of members not being directors. No member (not being a Director) shall have any right to inspect any books or papers of the Company except as conferred by law or authorised by the Board subject to the foregoing.

Inspection in respect of any subsidiary of the Company shall be done only by the person authorised in this behalf by a resolution of the Board of Directors.

#### **AUDIT**

Accounts to be audited 146. Books of accounts shall be audited by one or more auditors to be appointed in accordance with the provisions of the Act their rights and duties shall be regulated in accordance with Section 139 to 147 of the Act.

Auditors Rotation 147. Subject to the provisions of the Act, the office of the Auditors shall be liable to rotation at such period as may be prescribed.

#### **DOCUMENTS AND SERVICE OF DOCUMENTS**

Service of Documents 148. A document (which expression for this purpose shall be deemed to include and shall include any summon, notice, requisition, process, order, judgment or any other document in relation to or in the winding up of the company) may be served or send by the company on or to any member in the manner prescribed under Section 20 of the Act.

Service of Document in Electronic Mode 149. Notwithstanding anything contrary contained in the Articles of Association of the Company, any document may be served by the Company on any Member of the Company by such electronic mode of communication as may be permitted under Applicable laws from time to time and such service of document shall be deemed to have been effected in the manner provided by law, subject to compliance with applicable Legal or Regulatory provisions applicable to the Company in this regard, from time to time.

Members bound by documents sent to previous holders 150. Every person, who by operation of law, transfer or by other means whatsoever, shall become entitled to any share, shall be bound by every document in respect of such shares which, previously to his name and address being entered on the register shall have been duly served on or send to the person from whom he derives his title to such share.

Service of notice by members 151. All notice to be given on the part of member shall be left at or sent by registered post to the registered office of the Company.

How notice to be signed 152. Any notice to be given by the Company shall be signed by such director or secretary or officer as the board may appoint. The signature on any notice to be given by the Company may be written or printed or lithographed or be affixed by any other mechanical means.

#### **AUTHENTICATION OF DOCUMENT**

153. Save as otherwise expressly provided in the Act or these Articles a document or proceeding requiring authentication by the company may be signed by a director, Key Managerial Personnel or an officer of the Company duly authorized by the Board in this behalf and need not be under its seal.

Distribution of Assets	<p><b>WINDING UP</b></p> <p>154. Subject to the provisions of this Act as to overriding preferential payments under Section 326, if the company shall be wound up, and the assets available for distribution among the member as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up (other than the amount of calls paid in advance), at the commencement of the winding up, on the shares held by them respectively, and if in a winding up, the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up or which ought to have been paid on the share held by them respectively. But this clause is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.</p>
Distribution in Specie and kind	<p>155. Subject to the provisions of Chapter XX of the Act and rules made thereunder:</p> <ol style="list-style-type: none"> <li>1) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets or the Company, whether they shall consist of property of the same kind or not.</li> <li>2) For the purpose aforesaid, the liquidator may set such value as he deems fair upon the property and may determine how such division shall be carried out as between the members or different classes of members.</li> <li>3) The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the contributors as the liquidator, with the like sanction, thinks fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.</li> </ol>
Secrecy Clause	<p><b>SECRECY CLAUSE</b></p> <p>156. No member shall entitled to visit or inspect the Company's work without the permission of the board or manager or secretary or to require discovery of or any information respecting any detail of the Company's trading or any matter which may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the company and which in the opinion of the board, it will be inexpedient in the interest of the members of the Company to communicate to the public.</p>
Director's member's right of indemnity	<p><b>INDEMNITY AND RESPONSIBILITY</b></p> <p>and 157. a) Every director, manager, secretary and other officer or employee of the Company shall be indemnified by the Company against and it shall be duty of directors to pay out of funds of the Company all costs, losses and expenses (including traveling expenses) which any such directors, manager, secretary or officer or employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such director, manager, secretary or officer or</p>

employee entered into or act or deed by him as such director, manager, secretary or officer or employee or in any way in the discharge of the duties.

- b) Every officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal or in connection with any application under Section 463 in which relief is granted to him by the court or the Tribunal.

Directors and other officers, not responsible for act of others

158. Subject to the provisions of the Act, no director or other officer of the Company shall be liable for the acts, receipts, neglect or default of any other directors or officer or for joining in any receipt or other act for the sake of conformity, or for any loss or expenses happening to the company through insufficiency or deficiency of title to any property acquired by order of the directors for or on behalf of the company or for the insufficiency or deficiency of any security in or upon whom which any of the moneys of any company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company, body corporate or corporation with whom any money securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment, or oversight on his part, or for any other loss or damage or misfortune whatsoever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happen through willful misconduct or neglect or dishonesty.



We the several persons, whose names, addresses and descriptions are subscribed hereunder are desirous of being formed into a company in pursuance to this articles of association and we respectively agree to take the number of shares in the capital of the company set opposite to our respective names.

Names, address Description and of Occupation of Subscriber	Number of equity shares taken by each Subscriber	Signature of Subscribers	Name, Address and description of Witness
MAHENDER H KHANTED S/o Late Hastimal Khanted 1st Floor, S. V. Road Malad (West) Bombay 400 064  BUSINESS	10 (Ten)	Sd/-	Witness for both  Sd/-
RAMESH KUMAR H KHANTED A 603 Sheetal Chaya 6th Floor, S. V. Road Malad (West) Bombay 400 064  BUSINESS	10 (Ten)	Sd/-	MOHANLAL BHANDARI S/o Late Ghewarchand Bhandari Sheel Chambers 10, Cawasji Patel Street Bombay 400 001  CHARTERED ACCOUNTANT
Total	20 (Twenty)		

Bombay : Dated 20th July, 1988



BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

BENCH, at MUMBAI

CSP NO 463 OF 2017

AND

CSP NO 471 OF 2017

VIDEOCON D2H LIMITED ... Transferor Company

AND

DISH TV INDIA LIMITED ..... Transferee Company

In the matter of the Companies Act, 2013;

AND

In the matter of Sections 230 to 232 of  
the Companies Act, 2013

AND

In the matter of Scheme of  
Arrangement for Amalgamation  
amongst Videocon D2h Limited  
having CIN  
U92100MH2002PLC137947  
(Transferor Company) and Dish TV  
India Limited having CIN  
L51909MH1988PLC287553  
(Transferee Company) and their  
respective Shareholders and Creditors

Called for Hearing

Judgment/Order delivered on 27<sup>th</sup> July, 2017

Coram:

Hon'ble Mr. B.S.V. Prakash Kumar, Member (J)

Hon'ble Mr. V. Nallasenapathy, Member (T)

For the Petitioner(s): Mr. Zai Andhyarujina with Mr. Anirudh Das and Mr. Pulkitesh  
Tiwari for Shardul Amarchand Mangaldas & Co, Advocates for the Transferor Company.  
Mr. Zai Andhyarujina, Counsel with Mr. Hemant Sethi i/b Hemant Sethi & Co. for the  
Transferee Company.

Mr. Ramesh Gholap, Assistant Director in the office of Regional Director .

Mr Santosh Dalvi, Senior Assistant in the office of Official Liquidator present in Company  
Scheme Petition No. 462 of 2017.

Per: B.S.V. Prakash Kumar, Member(J)

**ORDER**

1. Heard the learned counsel for the Petitioner Companies.





2. The sanction of the Tribunal is sought under Sections 230 and 232 of the Companies Act, 2013, to the Scheme of Arrangement for Amalgamation amongst Videocon D2H Limited ("the Petitioner/Transferor Company") and the Dish TV India Limited (the Petitioner/Transferee Company) and their respective Shareholders and Creditors ("Scheme").
3. Learned Counsel for the Petitioner Companies states that the Petitioner/Transferor Company is primarily engaged in the business of providing direct to home TV (satellite) services to consumers across the country. The Petitioner/Transferee Company is engaged in the business of providing Direct to Home ('DTH') broadcasting services to its subscribers and providing teleport (up-linking) services.
4. The amalgamation of the Petitioner/Transferor Company with the Petitioner/Transferee Company would *inter alia* have the following benefits:
  - (a) The proposed amalgamation will enable consolidation of the business and operations of the Transferor Company and the Transferee Company which will provide substantial impetus to growth, enable synergies, reduce operational costs, increase operational efficiencies and enable optimal utilization of various resources as a result of pooling of financial, managerial and technical resources, and technologies of both the Transferor Company and the Transferee Company, significantly contributing to future growth and maximizing shareholder value; and
  - (b) The proposed amalgamation would be to the benefit of their respective shareholders and creditors, as it is expected that the combined entity resulting out of such an arrangement will have better prospects of growth and that this would enable the management of the Petitioner/Transferee Company to vigorously pursue revenue growth and expansion opportunities..
5. The Transferor Company and Transferee Company have approved the said Scheme of Arrangement for Amalgamation by passing the Board Resolution which are annexed to the respective Company Scheme Petitions filed by the Petitioner Companies.
6. Counsel appearing on behalf of the Petitioner Companies further states that the Petitioner Companies have complied with all requirements as per directions of the Hon'ble National Company Law Tribunal, Mumbai bench and has filed

necessary affidavits of compliance with the National Company Law Tribunal, Mumbai bench. Moreover, the Petitioner Companies through its Counsel undertakes to comply with all statutory requirements if any, as required under the Companies Act, 1956 / 2013 and the Rules made there under whichever is applicable. The said undertaking given by the Petitioner Companies is accepted.

7. The Regional Director ('RD') has filed an Report dated 21<sup>st</sup> day of June, 2017 stating therein, that the Tribunal may take consider the observations and pass such other order or orders as deemed fit and proper in the facts and circumstances of the case post considering the observations made at Sr. No. IV (a) to (f) mentioned in his report.

In paragraphs IV (a) to (f), of the said Report it is stated that:-

- a) *In addition to compliance of AS-14, the Transferee Company shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5 etc.*
- b) *The scheme does not stipulate "The Appointed Date". In this regard, it is submitted that as per the provisions of section 232(6) of the Companies Act, 2013 the scheme shall clearly indicate an appointed date which it shall be effective and scheme shall be deemed to be effective from such date and not a date subsequent to the appointed date. The petitioner companies be directed to fix the Appointed Date and amend the scheme accordingly;*
- c) *As per Part-A-Definitions (k) M/s. Videocon D2H Limited the Transferor Company and the President of India acting through the Director, Broadcasting, Policy & Legislation, Ministry of Information and Broadcasting, Government of India executed "DTH License Agreement" dated December 28, 2007. NOC from the the Director, Broadcasting, Policy & Legislation, Ministry of Information and Broadcasting appears to be the sectoral regulator/authority is likely to be affected by this amalgamation. Hence, notice under section 230(3) of the Companies Act, 2013 appears to be necessary. Hence, the applicant is directed to serve a copy of the petition/scheme and obtain NOC from Government of India, the Director, Broadcasting, Policy & Legislation, Ministry of Information and Broadcasting.*
- d) *As per existing practice, the Petitioner Companies are required to serve Notice for Scheme of Arrangements to the Income Tax Department for their comments. It appears that the company vide letter dated 1<sup>st</sup> April 2017 and 4<sup>th</sup> April 2017 has served a copy company scheme application No. 278 of 2017 & Company Petition No. 273 of 2017 along with relevant orders etc., to IT Department. Further this Directorate has also issued a reminder 14.06.2017, to IT Department.*
- e) *The tax implication if any arising out of the scheme is subject to final decision of Income Tax Authorities. The approval of the scheme by this Hon'ble Court may not deter the Income Tax Authority to scrutinize the tax return filed by*



*the transferee Company after giving effect to the scheme. The decision of the Income Tax Authority is binding on the petitioner Company.*

- f) *In view of the objection raised by the ROC Mumbai mentioned at para 11 above Hon'ble NCLT may kindly pass appropriate order/orders as deem fit.*

*Para 11 - Status of ROC Report: -*

*ROC Mumbai vide report/letter No. ROC/JTA (SG)/287553/230-232/759 dated 07.06.2017, has mentioned that No complaints, no Technical Scrutiny etc., However, vide point 32 has made an observations and has mentioned that the Auditor in his report dated 23/05/2016 in respect of Dish TV India Limited has stated that various amounts payable for Income Tax, VAT, Sales Tax etc, are pending on account of disputes. A copy of the said report is annexed with report and the matter may be decided by Hon'ble NCLT on merits.*

8. So far as the observation in paragraph IV(a) of the RD Report is concerned, the Petitioners through its Counsel states that the Transferee Company undertakes that in addition to compliance of AS-14 accounting treatment or relevant standard under IND AS ie IND AS 103, the Transferee Company shall pass such accounting entries as may be necessary in connection with the Scheme to comply with other applicable accounting standards such as AS-5 etc.
9. With reference to the observation set out in paragraph IV (b) of the RD Report, the Petitioner Companies through its Counsel states that the Appointed date will be 1<sup>st</sup> October 2017.
10. With reference to the observation set out in paragraph IV (c) of the RD Report, the Petitioner Companies through its Counsel states that the Petitioner/Transferor Company and Petitioner/Transferee Company have already served a notice u/s. 230(5) along with copy of the Scheme to the Ministry of Information and Broadcasting ('MIB') vide letters dated 5 April, 2017 and 8 April, 2017 respectively, but neither an objection nor a representation has been placed in pursuance of the notice given under Section 230 (5) of the Companies Act. However, the Petitioner Companies undertakes to obtain the approval from the MIB and the effectiveness of the Scheme is also subject to inter-alia approval of the MIB.
11. So far as the observation in paragraphs IV (d) & (e) of the RD Report is concerned, the Petitioner Companies through its Counsel submits that the tax implication if any arising out of the Scheme is subject to final decision of the

Income Tax Authorities and that the Petitioner/Transferee Company undertakes to comply with the applicable provisions of the Income Tax Act and all tax issues arising out of the Scheme will be answered in accordance with law.

12. With reference to the observation set out in paragraph IV (f) of the RD Report in relation to the observation of the Registrar of Companies, Mumbai in point no. 32 of the ROC report, the Petitioner/Transferee Company through its Counsel submits that the Petitioner/Transferee Company undertakes to pay the amounts in respect of Income tax, VAT, Sales Tax etc as and when the disputes are settled at the respective forums where they are pending
13. The observations made by the Regional Director have been explained by the Petitioners in paragraphs 9 to 13 above. The clarifications and undertakings given by the Petitioner Companies are hereby accepted.
14. The Official Liquidator has filed his report 18<sup>th</sup> July 2017 inter alia, stating therein that the affairs of the Petitioner /Transferor Company have been conducted in a proper manner and that the Petitioner /Transferor Company may be ordered to be dissolved. The Official Liquidator at para 9 of the Report has set out observations made at Sr. No. (1) to (5) which are as follows:

- 1) *That the Official Liquidator craves leave to submit that there is no mention about Cut of Date/Appointed Date in the proposed scheme of Amalgamation, which is mandatory for a Scheme of Arrangement/Amalgamation*
- 2) *That the Official Liquidator further craves leave to submit that M/s Videocon D2H Limited (Transferor Companies) and M/s Dish TV India Limited (Transferee Company) are required by Ministry of Information & Broadcasting. As such, the Transferee Company may be directed to obtain necessary approvals from the Ministry concerned, as may be required in the cases of Scheme of Amalgamation under section 391/394 of the Companies Act, 1956.*
- 3) *That the Official Liquidator further craves leave to submit that shares of the Transferee Company viz. M/s Dish TV India Limited are listed at Bombay Stock Exchange and National Stock Exchange. The Bombay Stock Exchange vide letter dated 02.03.2017 and National Stock Exchange vide letter dated 01.03.2017 has given their approval with the condition that "the Company shall duly comply with various provision of the circular". It is submitted that the Transferee Company may be asked to comply with the conditions raised by the Bombay Stock Exchange.*
- 4) *That the Official Liquidator further craves leaves to submit that Para 8.1 of Part-D the Scheme provides as under:*

*"As an integral part of this Scheme, upon the effectiveness of this Scheme, the name of the Transferee Company shall stand changed to "Dish TV Videocon Limited" or such other name as may be approved by the board, shareholders of the Transferee company and the ROC, without any further act, instrument or deed and the name "Dish TV India Limited" wherever it appears in the Memorandum of Association and Articles of*



*Association of the Transferee Company shall stand substituted by the new name "Dish TV Videocon Limited" or such other name as may be approved by the board, shareholders of the Transferee Company and the ROC, without any further act, instrument or deed on the part of the Transferee Company. Upon such name change, the requirement of using or displaying the former name "Dish TV India Limited" together with the new name "Dish TV Videocon Limited" or such other name as may be approved by the board, shareholders of the Transferee Company and the ROC, outside its offices, on its company seal, letter, bills, notices, official publications and all other places or documents whatsoever, shall be automatically dispensed with without any further act, instrument or deed on the part of Transferee Company by virtue of the order of the Court sanctioning this Scheme. The order of the Court sanctioning this scheme shall be deemed to be a specific direction under Section 13 of the 2013 Act read with Rule 8(8) of the Companies (Incorporation) Rules, 2014 and/or any other applicable provisions of the companies Act and rules and regulations framed thereunder for the change of name of the Transferee Company to "Dish TV Videocon Limited" pursuant to the release of the aforesaid name by the Transferor Company."*

*5) It is submitted that the name of a company can be changed/alterd only after following the procedure prescribed under the relevant provisions of the Companies Act, 1956/2013."*

15. In response to the observations of the Official Liquidator at Para 9(1), counsel for the Petitioners states that the Appointed date will be 1<sup>st</sup> October 2017.
16. In response to para 9(2) of the Report, counsel for the Petitioner/Transferor Company states the Petitioner/Transferor Company has served notice of the Company Scheme Application No.278 of 2017 on the Ministry of Information and Broadcasting, New Delhi on 05 April 2017 and craves leave to refer and rely upon the Affidavit of Service dated 26 April 2017 filed in the present proceedings. It is further submitted that in terms of Clause 2 read with Clause 3.1 of Section II of the Scheme, the effectiveness of the Scheme is subject to inter-alia, approval of the Ministry of Information and Broadcasting has been obtained.
17. As regards the observations of the Official Liquidator with respect to the conditions set out in the observations letters of the BSE and NSE as mentioned in paragraph 9(3) of his report, counsel for the Petitioner/Transferee Company states that the Transferee Company shall comply with the conditions as set out by the Bombay Stock Exchange and the National Stock Exchange in their letters dated 02 March 2017 and 01 March 2017 respectively.
18. As regards the observations of the Official Liquidator at paragraph 9(4) and 9(5) of his Report, it has been submitted by counsel for the Petitioner Companies that the Transferee Company shall, upon the Scheme becoming effective, follow the procedure prescribed under the provisions of the Companies Act, 2013, for change of name.

19. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.
20. Since all the requisite statutory compliances have been fulfilled, Company Scheme Petitions No. 462 and 471 of 2017 filed by the Petitioner Companies are made absolute in terms of prayer clause (a) of the respective Petitions.
21. Petitioner Companies are directed to file a copy of this order along with a copy of amended Scheme of Arrangement for Amalgamation with the concerned Registrar of Companies, electronically, along with E-Form INC-28, in addition to the physical copy within 30 days from the date of approval of the Ministry of Information & Broadcasting to the Scheme which date shall be the Effective Date for the purposes of the Scheme.
22. The Transferee Company to lodge certified copy of this order and the amended Scheme of Arrangement for Amalgamation duly certified by the Deputy Director, National Company Law Tribunal, Mumbai Bench, with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, on the same within 60 days from the date of receipt of the order.
23. It is clarified that for the period between the Appointed Date and Effective Date, the business of the Transferor Company shall be carried on by the Transferor Company in trust and for and on behalf of Transferee Company.
24. The respective Petitioner Companies to pay cost of Rs.25,000/- each to the Regional Director, Western Region, Mumbai and to the Official Liquidator, High Court, Bombay. Costs to be paid within four weeks from the date of the order.
25. All authorities concerned to act on a certified copy of this order along with Scheme duly certified by the Deputy Director, National Company Law Tribunal, Mumbai Bench.
26. Any person interested shall be at liberty to apply to the Tribunal in the above matter for any direction that may be necessary.

Sd/-

V. Nallasenapathy, Member (T)

Sd/-

B.S.V. Prakash Kumar, Member (J)





Certified True Copy

Date of Application 01/08/2017

Number of Pages 7

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Copy issued on 27/09/2017



Deputy Director

National Company Law Tribunal, Mumbai Bench



**SCHEME OF ARRANGEMENT**  
**UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956 AND/OR APPLICABLE**  
**SECTIONS OF THE COMPANIES ACT, 2013**

**AMONG**  
**VIDEOCON D2H LIMITED ("TRANSFEROR COMPANY")**  
**AND**  
**DISH TV INDIA LIMITED ("TRANSFeree COMPANY")**  
**AND**  
**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**INTRODUCTION**

**A. PREAMBLE**

This Scheme of Arrangement ("Scheme") for amalgamation is presented under the provisions of Sections 391 to 394 of the 1956 Act (*as defined hereinafter*) and/or applicable sections of the 2013 Act (*as defined hereinafter*) for (i) amalgamation of the Transferor Company (*as defined hereinafter*) into and with the Transferee Company (*as defined hereinafter*); (ii) dissolution without winding up of the Transferor Company; (iii) transfer of the authorized share capital from the Transferor Company to the Transferee Company; and (iv) change in the name of the Transferee Company, pursuant to the relevant provisions of the Companies Act (*as defined hereinafter*) and the relevant provisions of this Scheme. The amalgamation of the Transferor Company into and with the Transferee Company pursuant to this Scheme shall be in accordance with Section 2(1B) of the IT Act (*as defined hereinafter*). In addition, this Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

**B. RATIONALE FOR THIS SCHEME**

Both, the Transferor Company and the Transferee Company are *inter alia* engaged in business of providing direct-to-home broadcasting services to their respective subscribers in India. With a view to consolidate the business interests of the Transferor Company and the Transferee Company in the business of providing direct-to-home broadcasting services, the Transferee Company and the Transferor Company have decided that the Transferor Company with all its business interests including those in direct-to-home broadcasting services business, be amalgamated into and with the Transferee Company which is also, *inter alia*, engaged in the business of providing direct-to-home broadcasting services in India.

The Transferor Company and the Transferee Company believe that the proposed amalgamation of the Transferor Company comprising of its business interests, *inter alia*, relating to its business of providing direct-to-home broadcasting services into and with the Transferee Company, would be to the benefit of the shareholders and creditors of the Transferor Company and the Transferee Company and would, *inter alia*, have the following benefits:

- (a) the proposed amalgamation will enable consolidation of the business and operations of the Transferor Company and the Transferee Company which will provide substantial impetus to growth, enable synergies, reduce operational costs, increase operational efficiencies and enable optimal utilization of various resources as a result of pooling of financial, managerial and technical resources, and technologies of both the Transferor Company and the Transferee Company, significantly contributing to future growth and maximizing shareholder value; and

- (b) the proposed amalgamation would be to the benefit of their respective shareholders and creditors, as it is expected that the combined entity resulting out of such an arrangement will have better prospects of growth and that this would enable the management of the Transferee Company to vigorously pursue revenue growth and expansion opportunities.

## C. PARTS OF THIS SCHEME

This Scheme is divided into the following sections:

### 1. SECTION I

#### AMALGAMATION OF THE TRANSFEROR COMPANY INTO AND WITH THE TRANSFEE COMPANY

Part A deals with the definitions, interpretation and share capital details of the Transferor Company and the Transferee Company.

Part B deals with amalgamation of the Transferor Company into and with the Transferee Company, in accordance with Section 2(1B) of the IT Act and Sections 391 to 394 of the 1956 Act and other relevant provisions of the Companies Act.

Part C deals with the discharge of the consideration for the amalgamation of the Transferor Company into and with the Transferee Company.

Part D deals with the accounting treatment in the books of the Transferee Company, transfer of the authorized share capital from the Transferor Company to the Transferee Company, dissolution without winding up of the Transferor Company, the change in the name of the Transferee Company, exemptions under SAST Regulations (*as defined hereinafter*) and Taxes.

### 2. SECTION II

Section II deals with the general terms and conditions applicable to this Scheme.

## SECTION I

### AMALGAMATION OF THE TRANSFEROR COMPANY INTO AND WITH THE TRANSFEE COMPANY

#### PART A

#### WHEREAS:

- A. VIDEOCON D2H LIMITED, is a company incorporated under the 1956 Act with corporate identification number U92100MH2002PLC137947, and having its registered office at Auto Cars Compound, Adalat Road, Aurangabad, Maharashtra - 431 005 ("Transferor Company"). The Transferor Company is *inter alia* engaged in the business of providing direct-to-home broadcasting services to its subscribers in India.
- B. DISH TV INDIA LIMITED, is a company incorporated under the 1956 Act with corporate identification number L51909MH1988PLC287553, and having its registered office at 18<sup>th</sup> Floor, A Wing, Marathon Futrex, NM Joshi Marg, Lower Parel, Mumbai, Maharashtra - 400 013 ("Transferee Company"). The Transferee Company is *inter alia* engaged in the business of providing direct-to-home broadcasting services to its subscribers in India and providing teleport (up-linking) services to certain Essel group companies.
- C. In terms of this Scheme, it is now proposed, *inter alia*, to amalgamate the Transferor Company into and with the Transferee Company with effect from the Effective Date (*as defined hereinafter*), transfer the authorized share capital of the Transferor Company to the Transferee Company, effect dissolution without winding up of the Transferor Company and change the name of the Transferee Company, pursuant to and under Sections 391 to 394 of the 1956 Act and other relevant provisions of the Companies Act, in the manner provided for in this Scheme.
- D. The amalgamation of the Transferor Company into and with the Transferee Company pursuant to and in accordance with this Scheme shall be in accordance with Section 2(1B) of the IT Act,

## 1. DEFINITIONS

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

- (a) "1956 Act" means the Companies Act, 1956, and the rules, regulations, circulars, notifications, clarifications and orders issued thereunder, each as amended from time to time and to the extent in force;
- (b) "2013 Act" means the Companies Act, 2013, any re-enactment thereof, and the rules, regulations, circulars, notifications, clarifications and orders issued thereunder, each as amended from time to time and to the extent in force;
- (c) "Accounting Standards" means the generally accepted accounting principles in India complying with (i) the mandatory accounting standards notified under the Companies (Accounting Standards) Rules, 2006, or the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and to the extent in force, and (ii) the relevant provisions of the Companies Act;
- (d) "ADS Holders" means the holders of the Transferor Company ADSs;
- (e) "Applicable Laws" means any statute, law, regulation, ordinance, rule, regulation, judgment, order, decree, clearance, approval, terms of any approval, permit or no-objection of any Governmental Authority, directive, guideline, policy, requirement, listing agreement or other governmental restriction or any similar form of decision, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority, in each case as in effect from time to time;
- (f) "Board of Directors", with respect to a company, means the board of directors of such company as constituted from time to time in accordance with the provisions of its Articles of Association and Applicable Laws and, unless repugnant to the subject, context or meaning thereof, includes every committee of the Board;
- (g) "Companies Act" means the 1956 Act or the 2013 Act, as may be applicable;
- (h) "Contribution Agreement" means the Contribution Agreement dated December 31, 2014 between the Transferor Company and Silver Eagle Acquisition Corp., as amended on February 3, 2015;
- (i) "Court" means the Hon'ble High Court of Bombay and shall be deemed to include the National Company Law Tribunal, Mumbai Bench, if at any time prior to the Effective Date: (i) the National Company Law Tribunal is empowered to approve compromises, arrangements and amalgamations in terms of Section 230 to 240 of the 2013 Act by the relevant Governmental Authority, and this Scheme is filed with the National Company Law Tribunal, Mumbai Bench; or (ii) pending the sanction of this Scheme, this Scheme is transferred to the National Company Law Tribunal, Mumbai Bench for its consideration and approval in terms of Applicable Laws;
- (j) "Depository" means Deutsche Bank Trust Company Americas, being the depository for the Transferor Company ADS;
- (k) "DTH License Agreement" means the license agreement dated December 28, 2007, executed between the Transferor Company and the President of India acting through the Director, Broadcasting, Policy & Legislation, Ministry of Information and Broadcasting, Government of India;
- (l) "Effective Date" has the meaning assigned to such term in Clause 3.1 of Section II of this Scheme. Any references in this Scheme to "upon this Scheme becoming effective" or "upon the effectiveness of this Scheme" or "upon this Scheme coming into effect" means and refers to the Effective Date;
- (m) "Electing ADS Holders" has the meaning assigned to such term in Clause 5.8.3 of Section I of this Scheme;
- (n) "Employee Welfare Trust" has the meaning assigned to such term in Clause 4.1.1(j) of Section I of this Scheme;

- (o) "Equity Option ADS Holders" has the meaning assigned to such term in Clause 5.1 of Section I of this Scheme;
- (p) "Equity Shares", with respect to a company, means the fully paid-up equity shares of such company;
- (q) "First Earnout Shares" has the meaning given to such term in Clause 3.2.1 of Section I of this Scheme;
- (r) "Governmental Authority" means any competent governmental, regulatory, statutory or administrative authority, agency, department, commission or instrumentality (whether local, municipal, national or otherwise), court, board or tribunal of competent jurisdiction or other entity having, under any law, rule, regulation or order, jurisdiction over, or the power to regulate or pass orders binding upon, any person or matter and shall include any stock exchanges on which securities of any of such person are currently listed or may be listed in future, or arbitral tribunal or dispute resolution body empowered to pass orders binding on any person;
- (s) "GDSs" means the global depository shares to be issued under the Depository Receipts Scheme 2014, and other Applicable Laws, and where relevant, shall include the underlying equity shares relating thereto;
- (t) "Intangible Assets" means and includes all intellectual property rights and licenses of every kind and description throughout the world, in each case whether registered or unregistered, and including any applications for registration of any of the following, including without limitation inventions (whether patentable or not), patents, rights in computer programs (whether in source code, object code, or other form), algorithms, databases, compilations and data, technology supporting the foregoing, and all documentation, including user manuals and training materials, related to any of the foregoing; copyrights and copyrightable subject matter; trademarks, service marks, trade names, domain names, logos, slogans, trade dress, design rights together with the goodwill symbolized by any of the foregoing; know-how, confidential and proprietary information, trade secrets, moral rights; any rights or forms of protection of a similar nature or having equivalent or similar effect to any of the foregoing which subsist anywhere in the world; and goodwill, whether or not covered in the foregoing, in connection with the businesses of the Transferor Company, together with the exclusive right for the Transferee Company and its assignees to represent themselves as carrying on the business in succession to the Transferor Company including business information and records; product registrations and approvals; and content distribution rights;
- (u) "IT Act" means the Income-tax Act, 1961, any re-enactment thereof and the rules, regulations, circulars and notifications issued thereunder, each as amended from time to time and to the extent in force;
- (v) "Merger Entity" means, the Transferor Company and the Transferee Company individually, and "Merger Entities", the two of them collectively;
- (w) "Promoter Group" has the meaning assigned to such term in Regulation 2(1)(zb) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (x) "Promoter" has the meaning assigned to such term in Regulation 2(1)(za) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (y) "Record Date" shall have the meaning assigned to it in Clause 5.1 of Section I of this Scheme;
- (z) "RoC" means the Registrar of Companies, Maharashtra;
- (aa) "SAST Regulations" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (bb) "Scheme" or "Scheme of Arrangement" means this Scheme of Arrangement among the Transferor Company and the Transferee Company and their respective shareholders and creditors pursuant to the provisions of Sections 391 to 394 of 1956 Act and other relevant provisions of the Companies Act, along with all Schedules, and as modified or amended from time to time in accordance with Applicable Laws;



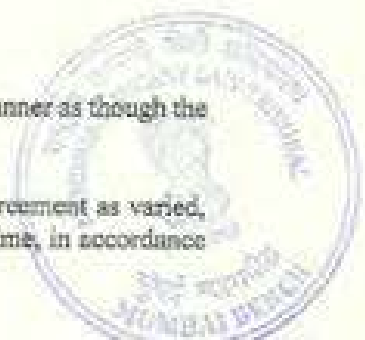
- (cc) "SEBI" means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992;
- (dd) "SEC" means the United States Securities and Exchange Commission;
- (ee) "Second Earnout Shares" has the meaning given to such term in Clause 3.2.1 of Section I of this Scheme;
- (ff) "Securities Act" means the United States Securities Act of 1933, as amended;
- (gg) "Share Exchange Ratio" shall have the meaning ascribed to it in Clause 5.3 of Section I of this Scheme;
- (hh) "Stock Exchanges" means the stock exchanges where the Equity Shares of the Transferee Company are listed and admitted to trading, viz, BSE Limited and the National Stock Exchange of India Limited;
- (ii) "Transferor Company" shall have the meaning assigned to it in Recital A of Section I of this Scheme and shall include but not be limited to:
- (i) all assets, whether moveable or immovable, plant and machinery, equipment, stocks and inventory including all rights, title, interest, claims, covenants in such assets of the Transferor Company;
  - (ii) all investments, receivables, loans and advances extended (including CENVAT credit or other tax assets), including accrued interest thereon of the Transferor Company;
  - (iii) all debts, borrowings and liabilities, whether present or future, secured or unsecured, availed by the Transferor Company;
  - (iv) all permits, rights, entitlements, licenses, approvals, grants, allotments, recommendations, clearances, tenancies, offices, tax deferrals and benefits, subsidies, concessions, refund of any tax, duty, cess or any excess payment (including all amounts claimed as refund, whether or not so recorded in the books of accounts), tax credits (including, but not limited to, credits in respect of income tax, tax deducted at source, CENVAT, sales tax, value added tax, turnover tax, excise duty, service tax, minimum alternate tax etc.) of every kind and description whatsoever of the Transferor Company other than the DTH License Agreement (which shall stand cancelled on the Effective Date);
  - (v) rights to any claim not preferred or made by the Transferor Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, under Applicable Law, and in respect of set-off, carry forward of un-absorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. whether under the IT Act, the rules and regulations thereunder, or any other Applicable Law, or any other or like benefits under the said acts or under and in accordance with any Applicable Law or act, whether in India or anywhere outside India;
  - (vi) all Intangible Assets of every kind and description whatsoever of the Transferor Company;
  - (vii) all privileges and benefits of, or under, all contracts, agreements or arrangements of any kind, and all other rights including lease rights, licenses and facilities of every kind and description whatsoever of the Transferor Company;
  - (viii) all employees of the Transferor Company;
  - (ix) all advance payments, earnest monies and/or security deposits or other entitlements of the Transferor Company;
  - (x) all legal, tax, regulatory, quasi-judicial, administrative or other proceedings, suits, appeals, applications or proceedings of whatsoever nature initiated by or against the Transferor Company; and



- (xi) all books, records, files, papers, computer programs, engineering and process information, manuals, data, production methodologies, production plans, catalogues, quotations, websites, sales and advertising material, marketing strategies, list of present and former customers, customer credit information, customer pricing information, and other records whether in physical form or electronic form or in any other form, in connection with or relating to the Transferor Company;
- (jj) "Transferor Company ADSs" or "ADSs" means the American depository shares issued under the Depository Receipts Scheme 2014 by the Transferor Company, pursuant to the Transferor Company Deposit Agreement;
- (kk) "Transferor Company Deposit Agreement" means the deposit agreement dated March 31, 2015 among the Depository, the Transferor Company and the holders and the beneficial owners of the ADSs;
- (ll) "Transferor Company ESOP Scheme" has the meaning assigned to such term in Clause 4.1.1(i) of Section I of this Scheme;
- (mm) "Transferor Company Options" has the meaning assigned to such term in Clause 4.1.1(i) of Section I of this Scheme;
- (nn) "Transferor Company Shares" means the Equity Shares of the Transferor Company of face value of Rs. 10 each;
- (oo) "Transferee Company ESOP Scheme" has the meaning assigned to such term in Clause 4.1.1(i)(i) of Section I of this Scheme;
- (pp) "Transferee Company Options" has the meaning assigned to such term in Clause 4.1.1(i)(ii) of Section I of this Scheme;
- (qq) "Transferee Company Shares" has the meaning assigned to it in Clause 5.8.1 of Section I of this Scheme;
- (rr) "Transferee Company" shall have the meaning assigned to it in Recital B of Section I of this Scheme;
- (ss) "Transferee Company GDS" has the meaning assigned to such term in Clause 5.8.1 of Section I of this Scheme;
- (tt) "Transferee Company Deposit Agreement" has the meaning assigned to such term in Clause 5.8.1 of Section I of this Scheme; and
- (uu) "Transferee Company Depository" has the meaning assigned to such term in Clause 5.8.1 of Section I of this Scheme.

## 2. INTERPRETATION

- (a) The expressions, which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning assigned to them under the Companies Act, the IT Act, the Depositories Act, 1996 and other Applicable Laws.
- (b) References to "Sections 391 to 394 of 1956 Act" in this Scheme means and shall be deemed to include references to Section 230 to 240 of the 2013 Act as and when such provisions are made effective in accordance with Applicable Laws. Any references to Sections of the 1956 Act shall be deemed to include references to the equivalent provisions of the 2013 Act, as and when such provisions are made effective in accordance with Applicable Laws.
- (c) In this Scheme, unless the context otherwise requires:
  - (i) the words "including", "include" or "includes" shall be interpreted in a manner as though the words "without limitation" immediately followed the same;
  - (ii) any document or agreement includes a reference to that document or agreement as varied, amended, supplemented, substituted, novated or assigned, from time to time, in accordance with the provisions of such a document or agreement;



- (iii) the words "other", "or otherwise" and "whatsoever" shall not be construed *ejusdem generis* or be construed as any limitation upon the generality of any preceding words or matters specifically referred to;
- (iv) the headings are inserted for ease of reference only and shall not affect the construction or interpretation of the relevant provisions of this Scheme;
- (v) the term "Clause" refers to the specified clause in Section I or Section II of this Scheme, as the case may be;
- (vi) reference to any legislation, statute, regulation, rule, notification or any other provision of law means and includes references to such legal provisions as amended, supplemented or re-enacted from time to time, and any reference to legislation or statute includes any subordinate legislation made from time to time under such a legislation or statute and regulations, rules, notifications or circulars issued under such a legislation or statute; and
- (vii) words in the singular shall include the plural and *vice versa*.

### 3. SHARE CAPITAL

#### 3.1 Share Capital of the Transferee Company

##### 3.1.1 The share capital of the Transferee Company as on October 31, 2016 is as under:

Share Capital	Amount (Rs.)
<b>Authorized Capital</b>	
<b>Equity</b>	
150,00,00,000 Equity Shares of face value of Re. 1 each	150,00,00,000
<b>Total</b>	<b>150,00,00,000</b>
<b>Issued, Subscribed and Fully Paid-up Capital</b>	
106,58,94,188 Equity Shares of face value of Re. 1 each, fully paid up	106,58,94,188
<b>Issued, Subscribed but not Fully Paid-up Capital</b>	
34,377 partly paid-up equity shares comprising of:	
15,262 equity shares of face value of Re. 1 each, Rs. 0.75 paid-up	11,446.50
19,115 equity shares of face value of Re. 1 each, Rs. 0.50 paid-up	9,557.50
<b>Total</b>	<b>106,59,15,192</b>

- 3.1.2 Certain employee stock options granted to the employees of the Transferee Company which are vested may be exercised by the relevant employee before the Effective Date. The details of the employee stock options which have (i) been granted to the employees of the Transferee Company but which have not vested as on October 31, 2016 and (ii) been granted and vested in the employees of the Transferee Company but which have not been exercised as on October 31, 2016 are set out below:

Employee Stock Options
<i>Employee stock options granted and accepted but which have not vested</i>
8,62,500 (eight lakh sixty two thousand and five hundred) employee stock options, which may be exchanged for 862,500 (eight lakh sixty two thousand and five hundred) Equity Shares of the Transferee Company
<i>Employee stock options granted, accepted and vested but not exercised</i>
72,600 (seventy two thousand six hundred) employee stock options, which may be exchanged for 72,600 (seventy two thousand six hundred) Equity Shares of the Transferee Company

- 3.1.3 The Equity Shares of the Transferee Company are listed on the Stock Exchanges.

#### 3.2 Share Capital of the Transferor Company

##### 3.2.1 The share capital of the Transferor Company as on October 31, 2016 is as under:

Share Capital	Amount (Rs.)
<b>Authorized Capital</b>	
<b>Equity</b>	
50,00,00,000 Equity Shares of face value Rs. 10 each	500,00,00,000
<b>Total</b>	<b>500,00,00,000</b>
<b>Issued, Subscribed and Paid-up Capital**</b>	
42,00,64,600* Equity Shares of face value Rs. 10 each	420,06,46,000
<b>Total</b>	<b>420,06,46,000</b>
<p>* This includes:</p> <p>(a) 15,09,99,600 (fifteen crore nine lakh ninety nine thousand six hundred) Transferor Company Shares, underlying 3,77,49,900 (three crore seventy seven lakh forty nine thousand nine hundred) Transferor Company ADSs.</p> <p>(b) 37,05,000 (thirty seven lakh five thousand) Transferor Company Shares issued to the Employee Welfare Trust, of which 32,38,353 (thirty two lakh thirty eight thousand three hundred and fifty-three) Transferor Company Options (each of which may be exercised for one Transferor Company Share) have been granted to and accepted by in employees of the Transferor Company. No employee stock options have been granted or will be granted from the date of the Transferor Company's board's approval of the Scheme against the remaining 4,66,647 (four lakh sixty six thousand six hundred and forty seven) Transferor Company Shares held by the Employee Welfare Trust and such remaining Shares shall be dealt with in accordance with Clause 5.4 of Section 1 of this Scheme.</p>	
<p>** The issued, subscribed and paid-up capital of the Transferor Company is subject to change on account of the following issuances of Transferor Company Shares:</p> <p>(a) The Transferor Company has an obligation to issue 53,99,984 (fifty three lakh ninety nine thousand nine hundred and eight four) Transferor Company Shares ("First Earnout Shares") to certain persons pursuant to the terms of the Contribution Agreement. Subject to receipt of regulatory approvals prior to the Effective Date, such Transferor Company Shares shall be issued by the Transferor Company.</p> <p>(b) The Transferor Company shall be required to issue 2,87,59,984 (two crore eighty seven lakh fifty nine thousand nine hundred and eighty four) Transferor Company Shares ("Second Earnout Shares") to certain persons under the terms of the Contribution Agreement upon occurrence of certain performance hurdles under the Contribution Agreement prior to the Effective Date and subject to receipt of regulatory approvals for such issuance, prior to the Effective Date.</p>	

- 3.2.2 Certain Transferor Company Options granted to and accepted by the employees of the Transferor Company, which are vested may be exercised by the relevant employees before the Effective Date. The details of the employee stock options which have (i) been granted to, and accepted by, the employees of the Transferor Company but which have not vested as on October 31, 2016 and (ii) been granted to, accepted by and vested in, the employees of the Transferor Company but which have not been exercised as on October 31, 2016 are set out below:

Employee Stock Options
<i>Employee stock options granted and accepted but which have not vested</i>
32,38,353 (thirty two lakh thirty eight thousand three hundred and fifty three) employee stock options, which may be exchanged for 32,38,353 (thirty two lakh thirty eight thousand three hundred and fifty three) Equity Shares of the Transferor Company
<i>Employee stock options granted, accepted and vested but not exercised</i>
Nil

- 3.2.3 The Equity Shares of the Transferor Company are not listed on any of the stock exchanges in India. The Transferor Company ADSs are listed on the NASDAQ Stock Market.



## PART B

### 4. AMALGAMATION OF THE TRANSFEROR COMPANY INTO AND WITH THE TRANSFeree COMPANY

#### 4.1 Transfer and vesting of assets, liabilities and entire business of the Transferor Company into and with the Transferee Company

4.1.1 Subject to the provisions of this Scheme in relation to the modalities of amalgamation, upon this Scheme coming into effect on the Effective Date, the Transferor Company, together with all its present and future properties, assets, investments, rights, obligations, liabilities, benefits and interests therein, whether known or unknown, shall amalgamate into and with the Transferee Company, and all present and future properties, assets, liabilities, investments, rights, obligations, liabilities, benefits and interests of the Transferor Company shall become the property of, and an integral part of, the Transferee Company subject to the charges and encumbrances (to the extent they are outstanding on the Effective Date), if any, created by the Transferor Company on its properties and assets in favour of lenders, as a going concern, by operation of law pursuant to the vesting order of the Court sanctioning this Scheme, without any further act, instrument or deed required by either of the Transferor Company or the Transferee Company. Without prejudice to the generality of the above, in particular, the Transferor Company shall stand amalgamated into and with the Transferee Company, in the manner described in sub-paragraphs (a) – (m) below:

- (a) upon this Scheme coming into effect on the Effective Date, all immovable property (including land, buildings and any other immovable property) of the Transferor Company, whether freehold or leasehold, and any documents of title, rights and easements in relation thereto, shall stand vested in or be deemed to be vested in the Transferee Company, by operation of law pursuant to the vesting order of the Court sanctioning this Scheme, without any further act, instrument or deed done or executed by the Transferor Company or the Transferee Company. Upon this Scheme coming into effect on the Effective Date, the Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes, rent and charges, and fulfill all obligations, in relation to or applicable to such immovable properties and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants under all relevant lease / license or rent agreements and shall, in accordance with the terms of such agreements, refund the security deposits and advance / prepaid lease / license fee, if any, to the Transferee Company. The mutation/ substitution of the title to and interest in such immovable properties shall be made and duly recorded in the name of the Transferee Company, by the relevant Governmental Authorities pursuant to the sanction of this Scheme by the Court and upon this Scheme coming into effect on the Effective Date;
- (b) upon this Scheme coming into effect on the Effective Date, all the assets of the Transferor Company which are movable in nature or are otherwise capable of being transferred by physical or constructive delivery and, or, by endorsement and delivery, or by vesting and recordal, including equipment, furniture and fixtures, shall stand vested in Transferee Company, and shall become the property and an integral part of Transferee Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery, or by vesting and recordal, as appropriate to the property being vested and the title to such property shall be deemed to have been transferred accordingly to the Transferee Company;
- (c) upon this Scheme coming into effect on the Effective Date, any and all other movable property (except those specified elsewhere in this Scheme) including investments in shares and any other securities, all sundry debts and receivables, outstanding loans and advances relating to the Transferor Company which are recoverable in cash or in kind or for value to be received, actionable claims, bank balances and deposits, if any with government, semi-government, local and other authorities and bodies, customers and other persons, cheques on hand shall, by operation of law pursuant to the vesting order of the Court sanctioning this Scheme, without any further act, instrument or deed of the Transferor Company or the Transferee Company become the property of the Transferee Company. Without prejudice to the foregoing, the Transferee Company shall be entitled to deposit at any time after

Effective Date, cheques received in the name of the Transferor Company, to enable the Transferee Company to receive the amounts thereunder;

- (d) upon this Scheme coming into effect on the Effective Date, all debts, borrowings, liabilities, contingent liabilities, duties and obligations, secured or unsecured, relating to the Transferor Company, whether provided for or not in the books of accounts of the Transferor Company or disclosed in the balance sheet of such Transferor Company, shall stand transferred to and vested in the Transferee Company, along with any charge, lien, encumbrance or security thereon, and the same shall be assumed to the extent they are outstanding on the Effective Date and become and be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company, by operation of law pursuant to the vesting order of the Court sanctioning this Scheme, without any further act, instrument or deed of the Transferor Company or the Transferee Company. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person, who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause. However, if any lender of the Transferor Company requires satisfaction of the charge over the Transferor Company's properties and recordal of a new charge with the Transferee Company, the Transferee Company shall for good order and for statistical purposes, file appropriate forms with the RoC as accompanied by the sanction order or a certified copy thereof and any deed of modification or novation executed *inter alios* by the Transferee Company;
- (e) upon this Scheme coming into effect on the Effective Date, all incorporeal or intangible property of the Transferor Company shall stand vested in the Transferee Company and shall become the property and an integral part of the Transferee Company, by operation of law pursuant to the vesting order of the Court sanctioning this Scheme, without any further act, instrument or deed done or executed by the Transferor Company or the Transferee Company;
- (f) upon this Scheme coming into effect on the Effective Date, all letters of intent, contracts, deeds, bonds, agreements, insurance policies, capital investment, subsidies, guarantees and indemnities, schemes, arrangements, and other instruments of whatsoever nature in relation to the Transferor Company or to which the Transferor Company is a party or to the benefit of which it may be entitled or eligible, shall be in full force and effect against or in favour of the Transferee Company, by operation of law pursuant to the vesting order of the Court sanctioning this Scheme, without any further act, instrument or deed of the Transferor Company or the Transferee Company, and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company is a party or beneficiary or obligor thereto. Without prejudice to the generality of the foregoing, bank guarantees, performance guarantees, letters of credit, agreements with any Governmental Authority, hire purchase agreements, lending agreements and such other agreements, deeds, documents and arrangements pertaining to the business of Transferor Company or to the benefit of which the Transferor Company may be eligible and which are subsisting or have effect immediately before the Effective Date, including all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, upon this Scheme becoming effective, by operation of law pursuant to the vesting orders of the Court, be deemed to be bank guarantees, performance guarantees, letters of credit, agreements, deeds, documents, and arrangements, as the case may be, of Transferee Company;
- (g) upon this Scheme coming into effect on the Effective Date, all permits, grants, no-objection certificates, licenses (including the licenses granted to the Transferor Company by any Governmental Authority for the purpose of carrying on its business or in connection therewith) other than DTH License Agreement (which shall stand cancelled on the Effective Date), permissions (including statutory and regulatory permissions), approvals, consents (including environmental consents), clearances, registrations (including relating to sales tax, service tax, excise, value added tax), (including, but not limited to, credits in respect of income tax, sales tax, value added tax, turnover tax, excise duty, service tax, tax credits, tax refunds, tax holidays, security transaction tax, minimum alternate tax credit and duty entitlement credit certificates), tenancies, quotas, recommendations, privileges, powers, offices, facilities of every kind and description of whatsoever nature, easements, goodwill, allotments, concessions, exemptions, advantages, or rights required to carry on the operations of the



Transferor Company or granted to the Transferor Company, shall stand vested in or transferred to the Transferee Company, by operation of law pursuant to the vesting order of the Court sanctioning this Scheme, without any further act, instrument or deed done or executed by the Transferor Company or the Transferee Company, and shall be appropriately transferred or assigned by the concerned Governmental Authority in favour of Transferee Company;

- (h) upon this Scheme coming into effect on the Effective Date, all Intangible Assets of the Transferor Company or granted to the Transferor Company, shall stand vested in or transferred to the Transferee Company, by operation of law pursuant to the vesting order of the Court sanctioning this Scheme, without any further act, instrument or deed done or executed by the Transferor Company or the Transferee Company; provided that the Transferee Company may take such actions as may be necessary and permissible to get the Intangible Assets, intellectual property rights and licenses transferred to and / or registered in the name of the Transferee Company;
- (i) upon this Scheme coming into effect on the Effective Date, the Transferee Company shall bear the burden and the benefits of any legal or other proceedings initiated by or against the Transferor Company. Upon this Scheme coming into effect on the Effective Date, if any notice, dispute, suit, appeal, complaint, claim or other proceeding of whatsoever nature by or against the Transferor Company including those before any Governmental Authority, be pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the amalgamation of Transferor Company or of anything contained in this Scheme but the proceedings shall be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company, by operation of law pursuant to the vesting order of the Court sanctioning this Scheme, without any further act, instrument or deed done or executed by the Transferor Company or the Transferee Company;
- (j) upon this Scheme coming into effect on the Effective Date, all employees of the Transferor Company shall become employees of the Transferee Company with effect from the Effective Date, by operation of law pursuant to the vesting order of the Court sanctioning this Scheme, without any further act, instrument or deed done or executed by the Transferor Company or the Transferee Company, on the terms and conditions no less favorable than those that were applicable to such employees immediately prior to such amalgamation, with the benefit of continuity of service and without any break or interruption in service. It is clarified that such employees of the Transferor Company who become employees of the Transferee Company by virtue of this Scheme shall continue to be governed by the terms of employment as were applicable to them immediately before such amalgamation and shall not be entitled to be governed by employment policies or to avail of any benefits under any scheme or settlement or otherwise that are applicable and available to any other employees of the Transferee Company, unless and otherwise so stated by the Transferee Company in writing in respect of all employees, class of employees or any particular employee. With regard to provident fund, gratuity fund, superannuation fund or any other special fund or obligation created or existing for the benefit of such employees of the Transferor Company, including the Employee Welfare Trust, upon this Scheme coming into effect on the Effective Date, the Transferee Company shall stand substituted for the Transferor Company, by operation of law pursuant to the vesting order of the Court sanctioning this Scheme, without any further act, instrument or deed of the Transferor Company or the Transferee Company, for all purposes whatsoever relating to the obligations to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents, and the Transferee Company shall continue to abide by agreement(s)/settlement(s) entered into by the Transferor Company with any of its employees prior to the Effective Date. It is the aim and intent of this Scheme that upon this Scheme coming into effect on the Effective Date, all the rights, duties, powers and obligations of the Transferor Company in relation to such schemes or funds shall become those of the Transferee Company. For the avoidance of doubt, it is clarified that with regard to provident fund, gratuity, leave encashment, deferred cash benefits and long term incentive plans and any other special scheme or benefits created or existing for the benefit of such employees of the Transferor Company, upon this Scheme becoming effective, Transferee Company



shall stand substituted for Transferor Company for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by the Transferor Company, in accordance with the provisions of Applicable Laws or otherwise. Without prejudice to the generality of the foregoing, any private funds (if any) and investments made out of private funds maintained by the Transferor Company (if any) shall, at an appropriate stage, be transferred to the Transferee Company to be held for the benefit of the concerned employees. Such private funds (if any) maintained by the Transferor Company shall, subject to the necessary approvals and permission and at the discretion of the Transferee Company, either be continued as separate funds of the Transferee Company for the benefit of the employees of the Transferor Company or be transferred to and merged with other similar funds maintained by the Transferee Company. In the event that the Transferee Company does not maintain its own private fund with respect to any such funds maintained by the Transferor Company, the Transferee Company may, subject to necessary approvals and permissions, continue to maintain the existing private funds of the Transferor Company separately and contribute thereto, until such time as the Transferee Company creates its own private funds at which time the private funds and the investments and contributions pertaining to the employees of the Transferor Company shall be transferred to such private funds maintained by the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of the aforesaid schemes, funds, benefit plans or policies. The Transferor Company and the Transferee Company shall undertake all the necessary steps and formalities as may be required to be carried out for transfer of such fund, assets, value, etc. to the Transferee Company in this regard;

- (k) the Transferee Company undertakes that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the employees of Transferor Company, the past services of such employees with the Transferor Company shall also be taken into account and it shall pay the same accordingly, as and when such amounts are due and payable;
- (l) the Transferor Company has set up an employee welfare trust, namely the Videocon d2h Employee Welfare Trust ("Employee Welfare Trust") in terms of a deed of private trust dated September 24, 2014 and has formulated the Videocon d2h Employee Stock Option Scheme 2014 ("Transferor Company ESOP Scheme"). In terms of the Transferor Company ESOP Scheme, the Transferor Company has granted and its employees have accepted 32,38,353 (thirty two lakh thirty eight thousand three hundred and fifty three) employee stock options, each of which may be exercised for 1 (one) Equity Share of face value of Rs. 10 (Rupees Ten) each of the Transferor Company at an exercise price of Rs. 50 (Rupees Fifty) per Equity Share of the Transferor Company, out of which its employees have paid Rs. 10 (Rupees Ten) upfront per option to accept the grant thereof ("Transferor Company Options"). Upon this Scheme coming into effect:
  - (i) The Transferee Company shall formulate an employee stock option plan / scheme, the terms of which shall be similar to the Transferor Company ESOP Scheme, for enabling continuity of benefits, including with respect to vesting period and exercise period (subject to 4.1.1(i)(iii) below) and exercise price (taking into account the upfront payment already paid by the employees in respect thereof and subject to adjustment of such exercise price in accordance with the Share Exchange Ratio), in favour of the relevant option holders in terms of the Transferor Company ESOP Scheme ("Transferee Company ESOP Scheme"). The compensation committee of the Transferee Company shall implement and monitor the Transferee Company ESOP Scheme. The Transferee Company ESOP Scheme shall be effected and implemented in such manner as the Transferee Company may deem fit;
  - (ii) The Transferor Company Options held by the relevant option holders in the Transferor Company as of the Record Date shall be substituted with employee stock options of the Transferee Company. Accordingly, such option holders holding Transferor Company Options shall be granted employee stock options by the Transferee Company ("Transferee Company Options") in accordance with the Share Exchange Ratio. Each Transferee Company Option

may be exchanged for 1 (one) Equity Share of the Transferee Company at the exercise price set out under the Transferee Company ESOP Scheme. For the avoidance of doubt, it is clarified that the exercise price of the Transferee Company Options shall be determined on the basis of the existing exercise price of the Transferor Company Options after taking into account the upfront payment already paid by the employees to the Transferor Company in respect thereof and the Share Exchange Ratio. Upon the issuance of the Transferee Company Options and completion of other actions specified herein, the Transferor Company ESOP Scheme shall be deemed to be cancelled;

- (iii) The terms and conditions of the Transferee Company ESOP Scheme shall always remain no less favourable than those provided under the Transferor Company ESOP Scheme and any vesting period or exercise period already lapsed under the Transferor Company ESOP Scheme in regard to the Transferor Company Options held by an option holder shall be deemed to have lapsed in regard to the Transferee Company Options granted to such an option holder in terms of this Clause 4.1.1(i). The relevant option holders have consented to such adjustments and no other approvals shall be required from the relevant option holders for undertaking any modifications / cancellation made or required to be made to the Transferor Company ESOP Scheme and for formulating the Transferee Company ESOP Scheme and substituting the employee stock options as contemplated herein. Subject to Applicable Law, the adjustments to the exercise price per option and option entitlement of the option holders, if any, proposed under this Section shall be appropriately reflected in the accounts of the Transferee Company; and
- (iv) The approval granted to this Scheme by each Merger Entity and its shareholders, Stock Exchanges, SEBI and, or, other relevant Governmental Authorities shall be deemed to be approval granted to the Transferor Company for undertaking the cancellation of the Transferor Company Options and to the Transferee Company for formulating the Transferee Company ESOP Scheme and for substituting the employee stock options as contemplated herein, and no further resolution or actions shall be required to be undertaken by the Transferor Company and/or the Transferee Company, including under the terms of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with the SEBI Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 and the requirements of the aforesaid regulation / legal provisions shall be deemed to be complied with; and
- (m) upon this Scheme coming into effect on the Effective Date all estates, assets, rights, title, interests and authorities accrued to and, or, acquired by the Transferor Company shall be deemed to have been accrued to and, or, acquired for and on behalf of the Transferee Company, without any further act, instrument or deed be and stand transferred to or vested in or be deemed to have been transferred to or vested in the Transferee Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Transferee Company.

4.1.2 Upon this Scheme becoming effective and the consequent amalgamation of Transferor Company into and with the Transferee Company, the secured creditors of Transferee Company, if any, shall only continue to be entitled to security over such properties and assets forming part of Transferee Company, as existing immediately prior to the amalgamation of Transferor Company into and with Transferee Company and the secured creditors of Transferor Company, if any, shall continue to be entitled to security only over such properties, assets, rights, benefits and interest of and in Transferor Company, as existing immediately prior to the amalgamation of Transferor Company into and with Transferee Company. For the avoidance of doubt, it is clarified that all the assets of Transferor Company and Transferee Company which are not currently encumbered shall, subject to Applicable Laws, remain free and available for creation of any security thereon in future in relation to any new indebtedness that may be incurred by Transferee Company. For this purpose, no further consent from the existing creditors shall be required and sanction of this Scheme shall be considered as a specific consent of such creditors.

- 4.1.3 The Transferee Company shall, at any time after this Scheme becomes effective in accordance with the provisions hereof and as the successor entity of the Transferor Company, if so required under any Applicable Laws or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Transferor Company has been a party, including any filings with the Governmental Authorities, in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions hereof, be deemed to be authorised to execute any such writings in the name of and on behalf of Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of Transferee Company, *inter alia*, in its capacity as the successor entity of the Transferor Company.
- 4.1.4 The Transferee Company shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under Applicable Laws, do all such acts or things as may be necessary to transfer / obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by Transferor Company. For the avoidance of doubt, it is clarified that if the consent of either a third party or Governmental Authority is required to give effect to the provisions of this Clause, the said third party or Governmental Authority shall make and duly record the necessary substitution / endorsement in the name of Transferee Company pursuant to the sanction of this Scheme by the Court, and upon this Scheme becoming effective. The Transferee Company shall file appropriate applications / documents with the relevant authorities concerned for information and record purposes and the Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of Transferor Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

## PART C

### 5. CONSIDERATION

- 5.1 Upon this Scheme coming into effect on the Effective Date and upon the amalgamation of the Transferor Company into and with the Transferee Company; the day that the Effective Date falls on (immediately prior to the Scheme coming into effect in accordance with the terms hereof) (the, "Record Date") shall be the record date for determining the equity shareholders of the Transferor Company and the Transferor Company ADS Holders who have elected to acquire Equity Shares of the Transferor Company in accordance with Clause 5.8.2 below ("Equity Option ADS Holders") who are entitled to acquire Equity Shares of face value of Re. 1 (Rupee One) each of the Transferee Company and for determining the Electing ADS Holders who shall be issued the Transferee Company GDSs, in accordance with this Clause 5 of Section I of the Scheme.
- 5.2 The share exchange ratio stated in Clause 5.3 of Section I of this Scheme has been determined by the Board of Directors of: (i) the Transferor Company based on their independent judgment after taking into consideration the valuation report dated November 11, 2016 provided by M/s G.D. Apte & Co. Chartered Accountants, and (ii) the Transferee Company based on their independent judgment after taking into consideration the valuation report dated November 11, 2016 provided by M/s S.R. Batliboi & Co. LLP, and the fairness opinion dated November 11, 2016 provided by merchant banker, Morgan Stanley India Company Private Limited.
- 5.3 The respective Board of Directors of the Transferor Company and the Transferee Company have determined that the equity shareholders of the Transferor Company as of the Record Date shall be issued in aggregate 85,77,85,766 (eighty five crore seventy seven lakh eighty five thousand seven hundred and sixty six) Equity Shares of face value of Re. 1 (Rupee One) each credited as fully paid-up in the Transferee Company. Based on the above, the share exchange ratio shall be 85,77,85,766 (eighty five crore seventy seven lakh eighty five thousand seven hundred and sixty six) divided by the total number of Transferor Company Shares issued and paid up (being the "Share Exchange Ratio" if the conditions in proviso (a) and/or (b) of this Clause 5.3 have not occurred), which implies that if the total number of Transferor Company Shares issued and paid up is 42,49,97,937 (forty two crore forty nine lakh ninety seven thousand nine hundred and thirty seven), for every 1 (one) Equity Shares of face value of Rs. 10 (Rupees Ten) each held in the Transferor Company as on the Record Date, the equity shareholders of the Transferor Company shall be issued (approximately, after rounding up to two decimal places) 2.02 Equity Shares of face value of Re. 1 (Rupee One) each credited as fully paid-up in the Transferee Company, provided however that if:

- (a) the First Earnout Shares are not issued by the Transferor Company prior to the Effective Date; and/or
- (b) the Transferor Company duly issues the Second Earnout Shares pursuant to its obligations under the Contribution Agreement, prior to the Effective Date,

the share exchange ratio shall be adjusted such that it shall be equal to 85,77,85,766 (eighty five crore seventy seven lakh eighty five thousand seven hundred and sixty six) divided by the total number of Transferor Company Shares issued and paid up as on the Effective Date, immediately prior to the Scheme coming into effect (being, the "Share Exchange Ratio" where the events set out in proviso (a) and/or (b) have occurred).

The Transferee Company shall, without any further act, instrument or deed, issue and allot to every equity shareholder (other than the custodian of the Transferor Company Depository) and Equity Option ADS Holder of the Transferor Company as on the Record Date, the requisite number of Equity Shares in the Transferee Company based on the Share Exchange Ratio in the manner contemplated in this Clause 5.3, subject to 5.6 below, provided however that the foregoing shall not apply in respect of the issuance of Transferee Company Shares (being the Equity Shares underlying the Transferee Company GDSs to be distributed to the Electing ADS Holders) to the custodian of the Transferee Company Depository, which shall instead, be governed by the provisions of Clause 5.8 of this Scheme. For avoidance of doubt it is clarified that for each Transferor Company ADSs held in the Transferor Company as on the Record Date, each Equity Option ADS Holders of the Transferor Company shall be issued such number of Transferee Company Shares as is equal to the Share Exchange Ratio multiplied by the number of Transferor Company Shares represented by such ADS. The Equity Shares in the Transferee Company to be issued to the equity shareholders and Equity Option ADS Holder of the Transferor Company and the custodian of the Transferee Company Depository, pursuant to this Scheme shall rank *pari passu* in all respects with the existing Equity Shares of the Transferee Company including with respect to dividend, bonus, right issue and other corporate benefits, and shall be fully paid-up.

- 5.4 There are 4,66,647 (four lakh sixty six thousand six hundred and forty seven) Equity Shares of the Transferor Company held by the Employee Welfare Trust against which no Transferor Company Options have been granted. Since no Transferor Company Options have been granted against such Equity Shares and no new employee stock options have been granted or will be granted by the Transferor Company from the date of approval of this Scheme by the Board of Directors of the Transferor Company, no Equity Shares shall be issued by the Transferee Company to the Employee Welfare Trust in exchange for such 4,66,647 (four lakh sixty six thousand six hundred and forty seven) Equity Shares of the Transferor Company, in terms of Clause 5 of Section I of this Scheme. No separate consent or approval is required from the relevant employees who have been granted or who are eligible to be granted employee stock options under the Transferor Company ESOP Scheme or from the Employee Welfare Trust and the Transferee Company shall be authorised to undertake all necessary actions to give effect to the provisions of this Clause 5.4 upon this Scheme coming into effect.
- 5.5 Subject to Applicable Laws, the Equity Shares of Transferee Company that are to be issued in terms of this Clause 5 of Section I of this Scheme shall be issued in dematerialised form. The shareholders of the Transferor Company shall provide such confirmation, information and details as may be required by the Transferee Company to enable it to issue the aforementioned Equity Shares.
- 5.6 If, applying the Share Exchange Ratio, a person eligible to receive Equity Shares of the Transferee Company pursuant to the this Clause 5, becomes entitled to receive any fractional Equity Shares of Transferee Company (a "fractional entitlement"), such person shall be entitled to receive instead of such fractional entitlement, Equity Shares of the Transferee Company as follows:
  - (a) if the fractional entitlement is less than 0.5 (zero point five) it shall be rounded down so that such person will receive, zero (0) Equity Shares of the Transferee Company instead of such fractional entitlement; and
  - (b) if the fractional entitlement is 0.5 (zero point five) or more it shall be rounded up so that such person will receive, one (1) Equity Share of the Transferee Company instead of such fractional entitlement.

Pursuant to the rounding up or rounding down as per (a) and (b) above, the total number of shares that will be issued to equity shareholders of the Transferor Company, may vary from the total number of shares of the Transferee Company to be issued as set forth in the first sentence of Clause 5.3 of this Section I above.

- 5.7 On the approval of this Scheme by the members of the Transferee Company pursuant to Sections 391-394 of the 1956 Act and/or the relevant provisions of the Companies Act, if applicable, it shall be deemed that the said members have also accorded their consent under Sections 13, 42 and 62(1)(c) of the 2013 Act and/or any other applicable provisions of the Companies Act and rules and regulations framed thereunder as may be applicable for the aforesaid issuance of Equity Shares to the equity shareholders of the Transferor Company, and no further resolution or actions shall be required to be undertaken by the Transferee Company under Sections 13, 42 or 62(1)(c) of the 2013 Act or any other applicable provisions of the Companies Act and rules and regulations framed thereunder, including, *inter alia*, issue of a letter of offer.

5.8 ADS holders

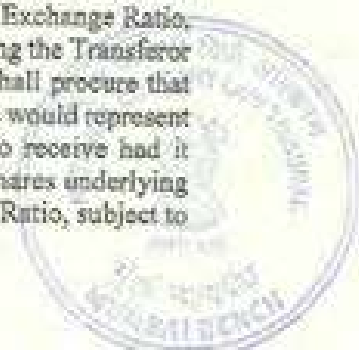
- 5.8.1 The Transferee Company shall have prior to the Effective Date appointed a depository ("Transferee Company Depository") pursuant to a deposit agreement with the Transferee Company Depository ("Transferee Company Deposit Agreement") to establish a means for the issuance of GDSs ("Transferee Company GDSs") representing the Equity Shares of the Transferee Company to be issued pursuant to the Scheme ("Transferee Company Shares") and the Transferee Company shall have entered into appropriate arrangements with the Transferee Company Depository and other agents, including the custodians, for the issuance, by the Transferee Company Depository of the Transferee Company GDSs, and the distribution of such Transferee Company GDSs to Electing ADS Holders (as defined in Clause 5.8.3 below) in exchange for the Transferor Company ADSs held by such Electing ADS Holders and the Transferor Company Shares underlying such Transferor Company ADSs.

- 5.8.2 Each ADS Holder will be given the option to elect (through an election form which the Transferor Company will procure is sent by the Depository to the ADS Holders along with the notice of the court convened meeting of shareholders of the Transferor Company for approval of the Scheme and seeking their voting instructions), to:

- (a) receive Transferee Company GDSs in accordance with Clause 5.8.3 (which will represent Transferee Company Shares that the ADS Holder is entitled to in exchange for the Transferor Company Shares underlying the ADSs of such ADS Holder as per the Share Exchange Ratio); or
- (b) receive the Transferee Company Shares that the ADS Holder is entitled to in exchange for the Transferor Company Shares underlying the ADSs held by such ADS Holders in accordance with this Scheme and pursuant to termination of the Transferor Company Deposit Agreement as per the Share Exchange Ratio.

It is clarified that any ADS Holder as on the Record Date who has not provided its election in accordance with Clause 5.8.2 to the Depository on or prior to the Effective Date shall be deemed to be an Electing ADS Holder.

- 5.8.3 The Transferee Company shall, in respect of those ADS Holders who elect to receive Transferee Company GDSs pursuant to Clause 5.8.2(a) above and whose election forms are received on or before the Effective Date ("Electing ADS Holders") and those ADS Holders who are deemed to be Electing ADS Holders on account of the clarification to Clause 5.8.2. set out above, without any further act, instrument or deed, issue and allot to the Transferee Company Depository's custodian in India, the requisite number of Transferee Company Shares based on the Share Exchange Ratio, subject to Clause 5.6 above, in exchange for Transferor Company Shares underlying the Transferor Company ADSs held by the Electing ADS Holders. The Transferee Company shall procure that each Electing ADS Holder is issued such number of Transferee Company GDSs as would represent the number of Transferee Company Shares that it would have been entitled to receive had it received Transferee Company Shares in exchange for the Transferor Company Shares underlying the Transferor Company ADSs held by it in accordance with the Share Exchange Ratio, subject to Clause 5.6 above.



- 5.8.4 The Transferee Company, the Transferee Company Depositary, the Transferor Company and/or the Depositary shall enter into such further documents and take such further actions as may be deemed necessary or appropriate by the Transferee Company and/ or the Transferee Company Depositary and/ or the Depositary, including, but not limited to, disseminating to existing holders of the Transferor Company ADSs certain notices and information containing details of the Scheme, the issuance and distribution of the Transferee Company GDSs and/or certain information relating to the Transferee Company, and providing to the Transferee Company and the Transferee Company Depositary, certain information relating to the existing Transferor Company ADS holders.
- 5.8.5 The Transferee Company GDSs issued pursuant to Clause 5.8 shall be listed on the Luxembourg Stock Exchange or the London Stock Exchange in accordance with Applicable Laws, and the Transferee Company shall take such additional steps and do all such acts, deeds and things as may be necessary for the purposes of listing the Transferee Company GDSs.
- 5.8.6 The Transferee Company Shares, Transferee Company GDSs and the Transferee Company Shares underlying the Transferee Company GDSs will be issued to ADS Holders in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 3(a)(10) thereof or another available exemption from the registration requirements of the Securities Act. The sanction of the Court to this Scheme will be relied upon for the purpose of complying with the exemption from the registration requirements of the Securities Act provided by Section 3(a)(10) thereof in respect of the issuance and distribution of the Transferee Company GDSs and the Transferee Company Shares, including, without limitation, the Transferee Company Shares underlying the Transferee Company GDSs.

## PART D

### 6. ACCOUNTING TREATMENT

- 6.1 Pursuant to this Scheme coming into effect on the Effective Date, the Transferee Company shall account for the amalgamation of the Transferor Company into and with the Transferee Company in its books of accounts in compliance with the applicable Indian Accounting Standards, in the following manner:
- (a) All the assets and liabilities of the Transferor Company transferred to and vested in the Transferee Company pursuant to this Scheme shall be recorded in the books of accounts of the Transferee Company at fair values as determined by the Board of Directors of the Transferee.
  - (b) Any excess of the fair value of Equity Shares, issued by the Transferee Company as consideration for the amalgamation of the Transferor Company into and with the Transferee Company, over the value of net assets of the Transferor Company acquired by the Transferee Company shall be adjusted in the Transferee Company's books of accounts as goodwill arising on amalgamation. If the fair value of Equity Shares issued by the Transferee Company as consideration for the amalgamation of the Transferor Company into and with the Transferee Company is lower than the value of net assets acquired, the difference shall be credited to 'capital reserve account'. The fair value of Equity Shares issued as consideration for the amalgamation of the Transferor Company into and with the Transferee Company in excess of the face value of Equity Shares shall be recorded as 'share premium account' in the books of accounts of the Transferee Company.
- 6.2 Intangible Assets (including goodwill), if any, transferred / arising on amalgamation shall be amortized/tested for impairment in the books of accounts of the Transferee Company in accordance with applicable Accounting Standards.

### 7. TRANSFER OF THE AUTHORIZED SHARE CAPITAL

- 7.1 As an integral part of this Scheme and upon the effectiveness of this Scheme, the authorised share capital of the Transferor Company amounting to Rs. 500,00,00,000 (Rupees five hundred crore) shall stand consolidated and vested in and merged with the authorised share capital of the Transferee Company. Consequent to transfer of the existing authorised share capital of the Transferor Company, the authorised share capital of the Transferee Company of Rs. 150,00,00,000 (Rupees one hundred and fifty crore), divided



into 150,00,00,000 (One hundred and fifty crore) Equity Shares of Re. 1 (Rupee one) each, shall stand increased by an aggregate amount of Rs. 500,00,00,000 (Rupees five hundred crore), and the resultant authorised share capital of the Transferee Company shall be Rs. 650,00,00,000 (Rupees six hundred and fifty crore) divided into 650,00,00,000 (six hundred and fifty crore) Equity Shares of Re. 1 (Rupee one) each, without any further act, instrument or deed by the Transferee Company and without any liability for payment of any additional fees or stamp duty in respect of such increase as the stamp duty and fees has already been paid by Transferor Company on such authorized capital, the benefit of which stands vested in the Transferee Company pursuant to this Scheme becoming effective on the Effective Date. Accordingly, Clause V of the Memorandum of Association of the Transferee Company shall stand modified and be substituted by the following:

*"The Authorised Share Capital of the Company is Rs. 650,00,00,000 (Rupees six hundred and fifty crore) divided into 650,00,00,000 (six hundred and fifty crore) Equity Shares of Re. 1 (Rupee one) each. The Board of Directors of the Company shall have the power to classify the unclassified shares of the Company into several classes / kinds or vice versa, to divide the shares in the capital for the time being into several classes and attach thereto respectively such preferential, deferred, guaranteed, qualified or special rights, privileges and conditions as the Board of Directors may decide."*

7.2 For the avoidance of doubt, it is clarified that, in case, the authorised share capital of the Transferee Company and, or, the Transferor Company, as the case may be, undergoes any change, prior to this Scheme becoming effective, then this Clause 7 of Section I of this Scheme shall automatically stand modified / adjusted accordingly to take into account the effect of such change.

7.3 It is hereby clarified that for the purposes of this Clause 7 of Section I of this Scheme, the consent of the shareholders of the Transferor Company and the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting the above amendment to the Memorandum of Association of the Transferee Company and no further resolution under Section 13 of the 2013 Act and/or any other applicable provisions of the Companies Act and rules and regulations framed thereunder would be required to be separately passed, nor shall the Transferee Company be required to pay any additional registration fees, stamp duty, etc.

## **8. CHANGE IN NAME OF THE TRANSFEE COMPANY**

8.1 As an integral part of this Scheme, upon the effectiveness of this Scheme, the name of the Transferee Company shall stand changed to "Dish TV Videocon Limited" or such other name as may be approved by the board, shareholders of the Transferee Company and the RoC, without any further act, instrument or deed and the name "Dish TV India Limited" wherever it appears in the Memorandum of Association and Articles of Association of the Transferee Company shall stand substituted by the new name "Dish TV Videocon Limited" or such other name as may be approved by the board, shareholders of the Transferee Company and the RoC, without any further act, instrument or deed on the part of the Transferee Company. Upon such name change, the requirement of using or displaying the former name "Dish TV India Limited" together with the new name "Dish TV Videocon Limited" or such other name as may be approved by the board, shareholders of the Transferee Company and the RoC, outside its offices, on its company seal, letters, bills, notices, official publications and all other places or documents whatsoever, shall be automatically dispensed with without any further act, instrument or deed on the part of the Transferee Company by virtue of the order of the Court sanctioning this Scheme. The order of the Court sanctioning this Scheme shall be deemed to be a specific direction under Section 13 of the 2013 Act read with Rule 8(8) of the Companies (Incorporation) Rules, 2014 and/ or any other applicable provisions of the Companies Act and rules and regulations framed thereunder for the change of name of the Transferee Company to "Dish TV Videocon Limited" pursuant to the release of the aforesaid name by the Transferor Company.

8.2 Pursuant to the effectiveness of this Scheme, the Transferee Company shall file the requisite forms with the RoC and shall obtain a fresh certificate of incorporation upon the change of its name to "Dish TV Videocon Limited" or such other name as may be approved by the board, shareholders of the Transferee Company and the RoC.



- 8.3 It is hereby clarified that for the purposes of this Clause 8 of Section 1 of this Scheme, the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting the above amendment or changing the name of the Transferee Company and no further resolution under Section 13 of the 2013 Act and/or any other applicable provisions of the Companies Act and rules and regulations framed thereunder would be required to be separately passed.

## 9. EXEMPTION UNDER SAST REGULATIONS

For the avoidance of doubt, it is clarified that pursuant to amalgamation of the Transferor Company into and with the Transferee Company, the issuance of Equity Shares of the Transferee Company to the shareholders of the Transferor Company as consideration for the amalgamation of the Transferor Company into and with the Transferee Company in terms of Clause 5 of Section 1 of this Scheme and the consequent grant of certain rights to the shareholders who hold shares beyond a certain threshold as may be prescribed from time to time in the charter documents of the Transferee Company, is exempt under the provisions of Regulation 10(1)(d) of the SAST Regulations, and therefore, the requirement to make an 'open offer' shall not be triggered in terms of the provisions of the SAST Regulations.

## 10. Taxes

- 10.1 This Scheme has been drawn up in compliance with the conditions specified under the tax laws, specifically Section 2(1B) of IT Act, and other relevant sections of IT Act.
- 10.2 Upon this Scheme coming into effect on the Effective Date, all deductions otherwise admissible to the Transferor Company including payment admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source (such as under Section 43B, Section 40, Section 40A etc. of the IT Act) shall be eligible for deduction to the Transferee Company upon fulfilment of the required conditions under the IT Act. Without prejudice to the generality of the above, the Transferee Company shall be entitled to claim all benefits, incentives, losses (including book losses, tax losses), book unabsorbed depreciation, tax unabsorbed depreciation, credits (including credits for taxes deducted at source, paid against its tax, duty liabilities, advance tax, income tax, minimum alternate tax, service tax, excise duty, central sales tax, applicable state value added tax, customs duty drawback, etc.) to which the Transferor Company is entitled to, and all such benefits, incentives, losses, depreciation and credits shall be available to and vest in the Transferee Company, in terms of Applicable Laws, upon this Scheme becoming effective, notwithstanding the certificates, challans or other documents for payment of such taxes/duties, as the case may be, being in the name of the Transferor Company.
- 10.3 Upon this Scheme coming into effect on the Effective Date, all taxes payable by the Transferor Company including all or any refunds of claims shall be treated as the tax liability or refunds/claims as the case may be, of the Transferee Company, without any further act, instrument or deed done or executed by the Transferor Company or the Transferee Company.
- 10.4 All tax assessment proceedings / appeals of whatsoever nature pertaining to the Transferor Company shall be continued and, or, enforced as and from the Effective Date, by or against the Transferee Company. The aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of amalgamation of the Transferor Company into and with the Transferee Company.
- 10.5 Upon this Scheme becoming effective, the Transferee Company shall be entitled to file and/or revise its income tax returns, TDS returns, tax payment certificates and other statutory returns as may be required under respective statutes pertaining to direct taxes or indirect taxes, such as sales-tax, value added tax, excise duties, service tax, etc., and shall also have the right to claim refunds, advance tax credits, minimum alternate tax credit, credit of tax deducted at source, credit of foreign taxes paid / withheld, etc., if any, as it may deem fit, consequent to the implementation this Scheme and as a result of the amalgamation of the Transferor Company into and with the Transferee Company.

## 11. DISSOLUTION OF THE TRANSFEROR COMPANY

Upon this Scheme coming into effect, the Transferor Company shall, without any further act, instrument or deed of the Transferor Company or the Transferee Company, stand dissolved without winding up.

## **12. MISCELLANEOUS**

- 12.1 Post effectiveness of this Scheme, the Equity Shares to be issued and allotted by the Transferor Company in terms of Clause 5 of Section I of this Scheme shall be listed and shall be admitted for trading on the Stock Exchanges. The Transferee Company shall make all requisite applications and shall otherwise comply with the provisions of Applicable Laws, including, as applicable, the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015. The Equity Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are provided by the Stock Exchanges.
- 12.2 None of the shareholders of the Transferor Company or the holders of the Transferor Company ADS shall be considered to be the Promoters or form a part of the Promoter Group of the Transferee Company upon effectiveness of the Scheme on the Effective Date.

## **SECTION II**

### **GENERAL TERMS AND CONDITIONS APPLICABLE TO THIS SCHEME**

#### **1. APPLICATION TO THE COURT**

The Transferee Company and the Transferor Company shall make applications/petitions under Sections 391 to 394 of the 1956 Act, as applicable and other applicable provisions of the Companies Act to the Court for the sanction of this Scheme and all matters ancillary or incidental thereto.

#### **2. CONDITIONALITY OF THIS SCHEME**

The Transferor Company and the Transferee Company shall file the drawn-up order of the Court approving this Scheme with the RoC only upon the fulfillment of all of the following conditions:

- (a) Competition Commission of India approving this Scheme and the other transactions contemplated in this Scheme, or such approval is deemed to have been granted through the expiration of time periods available for the receipt of Competition Commission of India's approval under Applicable Law;
- (b) Ministry of Information and Broadcasting approving this Scheme and the other transactions contemplated in this Scheme;
- (c) Securities and Exchange Board of India and the Stock Exchanges approving this Scheme and the other transactions contemplated in this Scheme; and
- (d) The satisfaction (or waiver in writing) of such other conditions as may be mutually agreed between the Transferor Company and the Transferee Company in writing.

#### **3. EFFECTIVENESS OF THIS SCHEME**

- 3.1 Subject to fulfilment of the conditions set forth in Clause 2 of Section II of this Scheme, this Scheme shall become effective on the date on which the Transferor Company and the Transferee Company file the drawn-up order of the Court approving this Scheme with the RoC ("Effective Date"). For the avoidance of doubt, it being clarified that in case the Transferor Company and the Transferee Company make such filings on different dates, then the last date on which such filings are made with RoC shall be deemed to be the Effective Date.
- 3.2 Upon the sanction of this Scheme and after this Scheme has become effective in terms of Clause 3.1 of Section II of this Scheme, the amalgamation of the Transferor Company into and with the Transferee Company shall be deemed to have occurred, pursuant to this Scheme, in accordance with Section 2 (1B) of the IT Act and pursuant to the provisions of Sections 391 to 394 of 1956 Act and other relevant provisions of the Companies Act.

#### **4. SEQUENCING OF EVENTS**

Upon the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred / shall occur and become effective and operative, only in the sequence and in the order mentioned hereunder:



- (a) amalgamation of the Transferor Company into and with the Transferee Company in accordance with Section I of this Scheme;
- (b) transfer of the authorised share capital of the Transferor Company to the Transferee Company in accordance with Clause 7 of Section I of this Scheme, and consequential increase in the authorised share capital of the Transferor Company;
- (c) dissolution of the Transferor Company without winding-up in accordance with Clause 11 of Section I of this Scheme;
- (d) issue and allotment of Equity Shares of the Transferee Company to the shareholders of the Transferor Company as of Record Date and the Equity Option ADS Holders as on the Record Date in accordance with Clause 5 of Section I of this Scheme; and
- (e) change of name of the Transferee Company in accordance with Clause 8 of Section I of this Scheme.

## 5. IMPLEMENTATION STEPS AND PROTECTIVE COVENANTS

The Transferor Company and the Transferee Company shall execute with one or more of their respective shareholders such agreements / documents as may be necessary (i) for implementation of the Scheme and for facilitating the integration of the business of the Transferor Company and the Transferee Company and (ii) to provide representations, warranties and indemnities in relation to the implementation of the Scheme.

## 6. MODIFICATIONS/AMENDMENTS TO THIS SCHEME

The Transferor Company and the Transferee Company may, through mutual consent and acting through their respective Board of Directors, assent to any modifications/amendments to this Scheme and/ or to any conditions or limitations that the Court and / or any other Governmental Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them.

## 7. REMOVAL OF DIFFICULTIES

The Transferor Company and the Transferee Company may, through mutual consent and acting through their respective Board of Directors, agree to take steps, as may be necessary, desirable or proper, to resolve all doubts, difficulties or questions, whether by reason of any orders of the Court or any directive or orders of any Governmental Authority or otherwise arising out of, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and / or matters concerning or connected therewith.

## 8. WITHDRAWAL OF THIS SCHEME

The Scheme may be withdrawn from the Court upon the occurrence of the following events:

- (i) by mutual consent of the Transferor Company and the Transferee Company, acting through their respective Board of Directors; or
- (ii) by either Merger entity, in accordance with the terms as agreed between the Merger Entities.

## 9. SEVERABILITY

If any part of this Scheme is invalid, ruled illegal by any court / Governmental Authority, or unenforceable under present or future laws, then it is the intention of the Transferee Company and the Transferor Company that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to either the Transferee Company or the Transferor Company, in which case the Transferee Company and the Transferor Company may, through mutual consent and acting through their respective Board of Directors, attempt to bring about appropriate modification to this Scheme, as will best preserve for each of them, the benefits and obligations of this Scheme, including but not limited to such part.

## 10. COSTS, CHARGES AND EXPENSES

Each of the Transferor Company and the Transferee Company, shall bear all their respective costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in making this Scheme effective and matters incidental thereto.



## 11. STAMP DUTY

- 11.1. The stamp duty payable in respect of the order of the Court sanctioning this Scheme under Article 25(da) of Schedule- I of the Maharashtra Stamp Act, 1958 will not exceed the higher of 0.7 per cent of the aggregate of the market value of securities being issued by the Transferee Company under the Scheme or 5.0 per cent. of the true market value of immovable property located in the State of Maharashtra transferred to the Transferee Company under the Scheme by the Transferor Company, subject to a maximum of Rs. 25,00,00,000 (Rupees twenty five crore). The Transferee Company shall bear and pay such stamp duty.
- 11.2. The relevant Registrar/Sub-Registrar of Assurances, Tehsildar/Collector, municipal corporation, panchayat and other governmental authorities where the immovable properties of each Transferor Company are located shall, post effectiveness of this Scheme and payment of stamp duty as set out above, cause the record of title of such immovable properties to be mutated in the land records.

## 12. REPEAL AND SAVINGS

- 12.1. The transfer of assets, liabilities and business to, and the continuance of proceedings by or against, the Transferee Company as envisaged in this Scheme shall not affect any transaction or proceedings already concluded by the Transferor Company or the Transferee Company on or before the Effective Date, to the end and intent that the Transferee Company shall be automatically deemed to accept and adopt all such acts, deeds and things done and executed by the Transferor Company.
- 12.2. Any direction or order given by the Court under the provisions of the 1956 Act and any act done by any of the Transferor Company or the Transferee Company based on such directions or order shall be deemed to be in accordance with and consistent with the provisions of the 2013 Act. Accordingly, the provisions of the 2013 Act shall not be required to be separately complied with, in relation to acts done by the Transferor Company or the Transferee Company as per direction or order of the Court sanctioning this Scheme.

Case No. 2017/00000  
G. to. No. 2017/00000  
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Deputy Director

National Company Law Tribunal, Mumbai Bench







BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,  
MUMBAI BENCH

COMPANY SCHEME PETITION NO 471 OF 2017

IN

COMPANY SCHEME APPLICATION NO 273 OF 2017

In the matter of the Companies Act, 2013;

AND

In the matter of Sections 230 to 232 of the Companies  
Act, 2013;

AND

In the matter of Scheme of Arrangement amongst  
Videocon D2h Limited having CIN  
U92100MH2002PLC137947 (Transferor Company) and  
Dish TV India Limited having CIN  
L51909MH1988PLC287553 (Transferee Company) and  
their respective Shareholders and Creditors



Dish TV India Limited .....Petitioner Company

Certified Copy of the Minutes of Order dated 27<sup>th</sup> July 2017  
along with Scheme of Arrangement and Amalgamation

M/S HEMANT SETHI & CO.,  
Advocates for the Petitioner  
102 Nav Parmanu, A Wing Behind Amar Cinema  
Chembur, Mumbai - 400071.

IN THE HIGH COURT OF DELHI AT NEW DELHI  
ORDINARY CIVIL COMPANY JURISDICTION  
COMPANY PETITION NO. 247 OF 2006 CONNECTED WITH  
COMPANY APPLICATION (MAIN) NO. 131 OF 2006

New Era Entertainment Network Limited.....Petitioner/ Transferor Company

**MEMO OF PARTIES**

NEW ERA ENTERTAINMENT NETWORK LIMITED: a Company incorporated under the Companies Act, 1956 having its Registered Office at B-10, Essel House, Lawrence Road, Industrial Area, New Delhi - 110 035 ...Petitioner/  
Transferor Company

Zee Telefilms Limited, having its registered office at 135, Continental Building, Dr.Annie Besant Road, Worli, Mumbai-400 018. Outside Transferor  
Company

Siti Cable Network Limited, having its registered office at 135, Continental Building, Dr.Annie Besant Road, Worli, Mumbai-400 018. Outside Transferor  
Company

ASC Enterprises Ltd., A company incorporated under the Companies Act 1956, having its registered office at B-10, Essel House Lawrence Road, Industrial Area New Delhi-110035 Transferee Company

New Delhi  
Dated : 6-10-2006

THROUGH  
Salva & Association  
Advocate for Petitioner  
A-56/A, Central Market  
Main Road, Lajpat Nagar-II  
New Delhi-110 020  
Tel. : 29832584, 41722021

+ CP Nos. 247-248/2006  
% 18.12.2006

Present : Mr. U.K. Chaudhary, Sr. Adv. with Mr. Jay Savla & Ms. Meenakshi Ogra for the petitioner. Mr. R.D. Kashyap, Dy. ROC for RD.

**CP Nos. 247-248/2006**

1. The present petitions under Sections 391(2)-394 of Companies Act, 1956 (hereinafter referred to as the Act) have been filed by M/s New Era Entertainment Network Limited (hereinafter referred to as transferor company) and M/s ASC Enterprises Limited (hereinafter referred to as transferee company).

2. The registered offices of the transferor company and the transferee company are located in Delhi, within the jurisdiction of this Court.
3. It is stated in the petitions that no proceedings under Sections 235-251 of the Act are pending against the transferor company and the transferee company.
4. As per the scheme enclosed with the petition, the transferor company along with Siti Cable Network Limited and de-merged business of DCS business undertaking of Zee Telefilms Limited, as defined in the scheme, are to be merged/amalgamated with the transferee company. Zee Telefilms Limited and Siti Cable Network Limited have filed petition before Bombay High Court praying for similar reliefs. This order will be subject to orders passed by the Bombay High Court in the case of Zee Telefilms Limited and Siti Cable Networks Limited.
5. The transferor company and the transferee company had earlier filed CA(M) No.131-132/2006. The said applications were disposed of vide order dated 18th July, 2006, which was subsequently modified vide order dated 21st August, 2006. In view of the consent letters/no objection certificates given by the shareholders of the transferor company and the transferee company, this Court dispensed with the need and requirement to convene and hold meeting of the shareholders of the transferor company and the transferee company. Similarly, requirement to convene and hold meeting of the secured creditors of the transferee company was dispensed with. However, meetings of the creditors of the transferor company and unsecured creditors of the transferee company were directed to be held. The meetings as directed have been held and the Chairpersons appointed by this Court have submitted their reports. As per the reports, the scheme of arrangement has been unanimously approved without any modification.
6. After filing of the present petitions, notices were issued to the Official Liquidator and the Regional Director (Northern Region) service, citations were also directed to be published in the news papers 'The states man' (English) and 'Jansatta' (Hindi) As per Affidavit of Service citations have been duly published.
7. Official Liquidator has filed his report stating that he has not received any complaint/objection against the proposed scheme of arrangement from any person/party interested in the scheme. Official Liquidator has also stated that on the basis of information submitted by the transferor company, he is of the view that the affairs of the transferor company do not appear to have been conducted in a manner prejudicial to the interest of it's members and public interest. He has, however, pointed out that the transferor company has received share application money of Rs.50 crores from Siti Cable Network Limited and upon the scheme of arrangement coming into force, the same shall stand cancelled. It is stated that the share application money of Rs.50 crores received by the transferor company is more than the authorised share capital of the transferor company, which was only Rs.5,00,000/-. This cannot be a ground to reject the proposed scheme. No violation of any statutory provision is pointed out. M/s Siti Cable Network Limited is also one of the companies, which is proposed to be merged with the transferee company. In this view of the matter, the objection raised loses its force. In any case the matter pertaining to M/s Siti Cable Network Limited is pending before Bombav High Court and this aspect will be decided by the said court.
8. The Regional Director (Northern Region) has filed his report. He has pointed out that the employees of the transferor company will become employees of the transferee company without any break or interruption in service upon sanction of the scheme of arrangement. The Regional Director (Northern

Region) has also raised the same objection as raised by the Official Liquidator with regard to share application money of Rs.50 crores paid by M/s Siti Cable Network Limited to the transferor company. As held above, this is not a valid ground to reject the scheme.

9. The Regional Director (Northern Region) has also pointed out that as per the proposed scheme, the paid up share capital of the transferee company is required to be re-organised and this will result in reduction of the paid up share capital. The existing paid up share capital of the transferee company is Rs.71,56,87,650/-. As per the scheme, on re-organisation of the existing share capital, the transferee company will allot 71,56,87,650 equity shares of Rs.1/- each fully paid up to its existing shareholders in place of their existing shareholding. Similar objection was considered by this Court in the case of Karamchand Appliances Pvt. Ltd. In re. CP No. 73/2006 decided on 9th October, 2006 and it was held as under :-

“14. Rule 85 of the Rules stipulates that where the proposed compromise or arrangement involves reduction of capital, the procedure prescribed under the Act and the said Rules relating to reduction of capital and the requirements of the Act and the Rules shall be complied with before compromise or arrangement relating to reduction of capital is sanctioned.

15. In the case of Novopan (supra) the scheme envisaged reduction of share capital to offset existing losses. It was specifically noticed that the proposed reduction of share capital did not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid up share capital. The proposal for reduction was under clause (b) of sub-section (1) of Section 100 of the Act. The decision will support the case of the petitioner to the extent the scheme envisages reduction of share capital to offset losses and falls under clause (b) of Section 100 of the Act. However, the said decision is of no assistance to the petitioners insofar as the scheme envisages payment to the preferential shareholder of the paid up share capital. Similarly, in the case of Asian Investments (supra) the scheme provided for extinction of share capital of the transferee company as some shares in the transferee company were held by the transferor company. Pursuant to merger under the scheme, shares held by the transferor company in the transferee company could not have been transferred to the transferee company. The transferee company could not be owner of its own shares. In these circumstances, it was held that Rule 85 of the Rules was not applicable and, therefore, Sections 101 and 102 of the Act were also not applicable. The scheme itself was held to be covered by Section 391 and 392 of the Act and a case of amalgamation simplicitor, where entire assets and liabilities of the transferor company were transferred to the transferee company and there was no release of any asset. The issue before the Calcutta High Court in the case of Mcleod Russel (supra) was also substantially different from the controversy before this court. In the said case the scheme provided for cancellation of investment made by the transferor company in the equity share capital of the transferee company. It was held that where a proposed scheme of amalgamation stipulated merger of transferor company with the identity of the transferee company, Rule 85 had no application as the transferor company stands transferred as a whole to the transferee company.

16. The relevant provisions have been considered in depth and detail by Gujarat High Court in the case of Maneckchowk and Ahmedabad Manufacturing Company Ltd. (1970) 40 Company Cases 819. Reference was made to definition of the term “scheme” in Section 390 of the Act and it was held that a scheme could also envisage modification and/or reduction of share capital. With reference to Rule 85 of the Rules it was observed that a scheme could certainly envisage re-organisation of share capital

as a part of the scheme itself but in cases where the scheme envisaged reduction of share capital Rule 85 had to be given full effect to. Therefore, Company Court can sanction "reorganisation" of share capital in a scheme, without following the procedure for reduction of share capital as envisaged under Section 100 to 104 of the Act. However in cases of reduction of share capital, Rule 85 was applicable and accordingly sections 100 to 104 of the Act were applicable. The court also made a distinction between mandatory provisions and directory provisions and it was held that a scheme which envisaged reduction of share capital to set off losses was different and distinct from a 'scheme which involved either diminution of liability in respect of unpaid share capital or payment to any shareholder of the paid up share capital. Reduction envisaged by cancellation of the paid up share capital that was lost or unrepresented by available assets was treated as distinct category under Section 100 of the Act. In such cases it was not mandatory to follow the procedure prescribed in Section 101(2) of Act, unless directed by the court. However, the court held that where proposal involved reduction or diminution in liability in respect of unpaid share capital or payment to any shareholder of any paid up share capital, the procedure under Section 101 of the Act was mandatory.

17. Following the above decisions, in so far as the scheme envisages setting off and reduction of security premium account by writing off debit balance/losses in the profit and loss account of the transferee company amounting to Rs. 1,189,019,000/-, Rule 85 does not come into operation if one follows the reasoning of Andhra Pradesh High Court in Novopan India (supra). Even if one follows the reasoning given in Maneckchowk and Ahmedabad Manufacturing (supra) I do not find any impediment in not sanctioning the scheme to "this extent as Rs. 1,189,019,000/- is to be written off towards debit balance/losses in the profit and loss account with correspondence reduction in the security premium account. In the case of transferee company, all the shareholders and the creditors have unilaterally approved the said scheme and thus there is substantial compliance with Sections 100 to 104 of the Act."

10. It may be noted here that the re-organisation of the share capital in the present case does not postulate and stipulate repayment of the paid up share capital to the existing shareholders of the transferee company. The re-organisation of the share capital is required to cover up the operational losses suffered by the transferee company.
11. The Regional Director (Northern Region) has pointed out in paragraph 5 of his report that rules and regulations are required to be complied with, in view of the transfer of shareholding by the foreign promoters. The requisite permission and compliance with all legal conditions, rules and regulations will be done by the transferor company and the transferee company. This order will not be construed as an order granting exemption from compliance with the rules, regulations and/or requirement to take permission from any authority.
12. The Regional Director (Northern Region) has further submitted that the assets and liabilities pertaining to DCS division of the transferor company i.e. Zee Telefilms Limited, which is proposed to be merged with the transferee company have not been mentioned in the scheme. It is pointed out by Mr. U.K. Chaudhary, Sr. Advocate that the details of assets and liabilities of DCS division of the transferor company M/s Zee Telefilms Limited were furnished and given to the Regional Director. The details are available. Further the scheme is required to be approved and accepted by the creditors and shareholders of M/s Zee Telefilms Limited and this question and issue will be decided by the Bombay High Court. In view of the above statement, no further orders are required from this Court. It is

however, clarified that it is for the Bombay High Court to examine and consider this objection as the case of M/s Zee Telefilms Limited pending before the said Court.

13. Having regard to the averments made in the petitions and the material placed on record, I am satisfied that the prayer made in the petition deserves to be allowed. I do not find any legal impediment not to sanction the scheme for arrangement. Hence sanction is hereby granted to the scheme of arrangement under Sections 391(2) -394 of the Act, subject to orders being passed by the Bombay High Court in the case of Zee Telefilms Limited and Siti Cable Network Limited.
14. The transferor company and the transferee company will comply with, statutory requirements in accordance with law. Copy of this order be, filed with the Registrar of companies within 5 weeks.
15. It is also clarified that this order will not be construed as an order granting exemption from payment of stamp duty and/or transfer fee etc., payable in accordance with law. The petitions are disposed of.

The Petitions are disposed of

Dasti

-Sd-  
**SANJIV KHANNA, J**

December 18, 2006  
VKR



IN THE HIGH COURT OF DELHI AT NEW DELHI

(ORIGINAL JURISDICTION)

IN THE MATTER OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT

BETWEEN

COMPANY PETITION NO. 247/2006

CONNECTED WITH COMPANY APPLICATION (M) NO. 131/2006

IN THE MATTER OF M/s. New Era Entertainment Network Ltd.,  
having its Regd. Office at  
B-10, Essel House, Lawrence Road,  
Industrial Area, New Delhi-110035

Petitioner/Transferor Company No. 1  
(Within the jurisdiction of this Court)

IN THE MATTER OF M/s. Zee Telefilms Ltd.,  
having its Regd. Office at  
135, Continental Building,  
Dr. Annie Besant Road, Worli, Mumbai-400018

Transferor Company No. 2  
(Outside the jurisdiction of this Court)

IN THE MATTER OF M/s. Siti Cable Network Ltd.,  
having its Regd. Office at  
135, Continental Building,  
Dr. Annie Besant Road, Worli, Mumbai-400018

Transferor Company No. 3  
(Outside the jurisdiction of this Court)

AND

COMPANY PETITION NO. 248/2006

CONNECTED WITH

COMPANY APPLICATION (M) NO. 132/2006

IN THE MATTER OF M/s. ASC Enterprises Ltd.,  
having its Regd. Office at  
B-10, Essel House, Lawrence Road,  
Industrial Area, New Delhi-110035

Petitioner/Transferor Company

BEFORE HON'BLE MR. JUSTICE SANJIV KHANNA

DATED THIS THE 18TH DAY OF DECEMBER, 2006

## ORDER UNDER SECTION 394 OF THE COMPANIES ACT, 1956

The above petitions coming up for hearing on 18/12/06 for sanction of scheme of arrangement proposed to be made between M/s. New Era Entertainment Network Ltd. (Within the jurisdiction of this Court), M/s. Zee Telefilms Ltd. & M/s. Siti Cable Network Ltd. (Outside the jurisdiction of this Court) (hereinafter referred to as the Transferor Companies) and M/s. ASC Enterprises Ltd. (hereinafter referred to as the Transferee Company), upon reading the said petitions, the order dt. 18/7/2006 read with modified order dt. 21/8/06 whereby the requirement of convening and holding the meetings of the shareholders of the Transferor Company No. 1 and secured creditors of the Transferee Company was dispensed with and the meetings of secured and unsecured creditors of the Transferor Company No. 1 and unsecured creditors of the Transferee Company was ordered to be convened for the purpose of considering, and if thought fit, approving, with or without modification, the Scheme of arrangement annexed to the affidavit of Sh. Suresh Kumar, authorized signatory of the petitioner companies filed on 14<sup>th</sup> day of July, 2006 and the publication in the newspapers namely (1) Statesman (English) and (2) Jansatta (Hindi) both dt. 24/8/06 each containing the advertisement of the said notice convening the said meetings directed to be held by the said order dated 18/7/06, the affidavit of Sh. Ashok Gupta, Chairperson filed on 11/9/2006 showing the publication and despatch of the notices convening the said meetings, the reports of the Chairperson of the said meetings as to the result of the said meetings and upon hearing Sh. U.K. Chaudhary, Sr. Advocate with Mr. Jay Savla and Ms. Meenakshi Ogra, Advocates for the petitioner and Mr. R.D. Kashyap, Dy. Registrar of Companies in person and it appearing from the reports that the proposed scheme of arrangement has been approved unanimously without any modification by the said secured and unsecured creditors of the Transferor Company No. 1 and unsecured creditors of the Transferee Company present and voting either in person or by proxy and upon reading the affidavit dated 8/12/06 of Sh. Rakesh Chandra, Regional Director, Northern Region, Ministry of Company Affairs, Noida on behalf of Central Government stating that there is Share Application Money to the tune of Rs. 50,00,00,000/- pending for allotment whereas the Authorized Share Capital of the company was only Rs. 5,00,00,000/- as on 31/3/2006. The Court has observed that this cannot be a ground to reject the proposed scheme. The objection raised loses its force and it accordingly rejected by the Court. It has been further pointed out that as per the proposed scheme, the paid up share capital of the Transferee Company is required to be reorganized and this will result in reduction of the paid up share capital. The existing paid up share capital of the Transferee Company is Rs. 71,56,87,650. As per the scheme of re-organisation of the existing share capital the transferee Company will allot 71,56,87,650 equity shares of Rs. 1/- each fully paid up to its existing share holders in place of their existing shareholding. The Court observed that the re-organisation the share capital in the present case does not postulate and stipulate repayment of the paid up share capital to the existing shareholders of the Transferee Company. The re-organisation of the share capital is required to cover up the operational losses suffered by the Transferee Company. It has been further pointed out by the Regional Director that rules and regulations are required to be complied with in view of the transfer of shareholding by the foreign promoters. The requisite permission and compliance with all legal conditions, rules and regulations will be done by the Transferor Company and the Transferee Company. It has been further stated by the Regional Director that the assets and liabilities pertaining to DCS division of the Transferor Company i.e. Zee Telefilms Ltd. which is proposed to be merged with the Transferee Company have not been mentioned in the scheme. It is pointed out by the counsel for the petitioner that the details of assets and liabilities of DCS division of the Transferor Company M/s Zee Telefilms Ltd. were furnished and given to the Regional Director. The scheme is required to be approved and accepted by the creditors and shareholders of Zee Telefilms Ltd. and this question and issue has to be decided by the Bombay High Court; and considering the affidavit of Sh. A.K. Chaturvedi, Official Liquidator filed on 11/12/06 stating therein that the affairs of the Transferor Company have

not been conducted in a manner prejudicial to the interest of its shareholders or creditors or to public interest. Official Liquidator, however, has pointed out that the Transferor Company has received share application money of Rs.50 crores from Siti Cable Network Ltd. and upon the scheme of arrangement coming into force, the same shall stand cancelled. It has been further stated that the share application money of Rs.50 crores received by the Transferor Company is more than the authorized share capital of the Transferor Company which was only Rs.5,00,000/- The Court has observed that this cannot be a ground to reject the proposed scheme. No violation of any statutory provision has been pointed out. M/s. Siti Cable Network Ltd. is also one of the companies, which is proposed to be merged with the Transferee Company. In this view of the matter, the objection raised loses its force. The Court ordered that the matter pertaining to M/s. Siti Cable Network Ltd. is pending before Bombay High Court and the aspect will be decided by the said Court; and there being no investigation proceedings pending in relation to the petitioner companies under Section 235 to 251 of the Companies Act, 1956.

THIS COURT DOTH HEREBY SANCTION THE SCHEME OF ARRANGEMENT setforth in Schedule-I annexed hereto subject to the orders passed by the Bombay High Court in the case of Zee Telefilms Ltd. and Siti Cable Network Ltd. and DOTH HEREBY DECLARE the same to be binding on all the shareholders and creditors of the Transferor Company No. 1 and Transferee Company and all concerned and doth approve the said scheme of arrangement with effect from the appointed date i.e.1.4.2006.

**AND THIS COURT DOTH FURTHER ORDER :**

1. That all the property, rights and powers of the Transferor Company No. 1 specified in the First, Second, Third & Fourth parts of the Schedule-II hereto and all other property, rights and powers of the Transferor Company No. 1 be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to Section 394 (2) of the Companies Act, 1956 be transferred to and vest in the Transferee Company for all the estate and interest of the Transferor Company No. 1 therein but subject nevertheless to all charges now affecting the same; and
2. That all the liabilities and duties of the Transferor Company No. 1 be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to Section 394 (2) of the Companies Act, 1956 be transferred to and become the liabilities and duties of the Transferee Company; and
3. That all the proceedings now pending by or against the Transferor Company No. 1 be continued by or against the Transferee Company; and
4. That the Transferee Company do without further application allot to such members of the Transferor Company No. 1 as have not given such notice of dissent as is required by Clauses IV to XII given in the scheme of arrangement herein the shares in the Transferee Company to which they are entitled under the said arrangement; and
5. That the Transferor Company No. 1 do within 5 weeks after the date of this order cause a certified copy of this order subject to the orders passed by the Bombay High Court in the case of Zee Telefilms and Siti Cable Network Ltd. to be delivered to the Registrar of Companies for registration

and on such certified copy being so delivered, the Transferor Company No. 1 shall be dissolved without the process of winding up and the Registrar of Companies shall place all documents relating to the Transferor Company No. 1 and registered with him on the file kept by him in relation to the Transferee Company and the files relating to the said Transferor and Transferee Companies shall be consolidated accordingly; and

6. That any person interested shall be at liberty to apply to the Court in the above matter for any directions that may be necessary.

## **SCHEDULE-I**

### **SCHEME OF ARRANGEMENT**

**UNDER SECTIONS 391 TO 394 READ WITH SECTIONS 78, 100 AND OTHER  
APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956**

**BETWEEN**

**ZEE TELEFILMS LIMITED**

**AND**

**SITI CABLE NETWORK LIMITED**

**AND**

**NEW ERA ENTERTAINMENT NETWORK LIMITED**

**AND**

**ASC ENTERPRISES LIMITED**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS**

### **PREAMBLE**

#### **A. Description of Companies :**

- (a) Zee Telefilms Limited ('ZTL') is the flagship company of the Zee group and is India's first largest vertically integrated media and entertainment company.
- (b) ZTL, Siti Cable Network Limited ('Siti Cable'), (post demerger of their Cable businesses) alongwith Integrated Subscriber Management Services Limited and New Era Entertainment Network Limited are also engaged in the Direct Consumer Services Business ('DCS Business') which is providing services to the Direct to Home platform.
- (c) New Era Entertainment Network Limited ('NEENL') is the wholly owned subsidiary of Siti Cable. NEENL is engaged in the business of content aggregation, integration of the Channels and the marketing and distribution of the Service to various end users and subscribers, through its network of authorized distributors, dealers and direct selling agents.

- (d) ASC Enterprises Limited ('ASC') is a company engaged in the Direct-to-Home ('DTH') broadcasting business comprising of distribution / uplinking of satellite based television / radio signals, constituting Channels, pursuant to a DTH license issued by the Government of India, Ministry of Information & Broadcasting.
- (e) The DCS Business carried on by ZTL directly and/or through its subsidiaries / group companies, has significant potential for growth. The nature of technology, risk and competition involved in DCS Business is distinct from other businesses carried on by ZTL and, in fact, rapidly divergent. The DCS Business is capable of addressing independent business opportunities, deploying different technologies and attracting different sets of investors, strategic partners, lenders and other stakeholders.
- (f) ZTL therefore proposes to re-organize and segregate, its business and undertakings engaged in DCS Business as follows:
  - (i) Demerger of the DCS Business of ZTL into ASC.
  - (ii) Post demerger, merger of Siti Cable and NEENL into ASC.

## **1. DEFINITIONS**

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:

- 1.1. "Act" means the Companies Act, 1956 and includes any statutory re-enactment or modification thereof, or amendment thereto, from time to time.
- 1.2. "Appointed Date" means 1st day of April 2006 or such other date as may be approved by the High Courts.
- 1.3. "ASC" means ASC Enterprises Limited having its registered office at B-10, Essel House, Lawrence Road, Industrial Area, New Delhi - 110 035.
- 1.4. "Courts" or "High Courts" means the High Court of Judicature at Bombay and Delhi, and shall include the National Company Law Tribunal, if applicable.
- 1.5. "DCS Undertaking of ZTL" means the Direct Consumer Services Business of ZTL including investments made by ZTL in Siti Cable and include without limitation :
  - (i) All assets wherever situated, whether movable or immovable, tangible or intangible, including plant and machinery, furniture, office equipments, appliances, accessories together with all present and future liabilities (including contingent liabilities) appertaining or relatable thereto.
  - (ii) Without prejudice to the provisions of sub-clause 1.5 (i) above, the DCS Undertaking of ZTL shall include all the debts, liabilities, duties and obligations and also including, without limitation, all properties and assets in connection with or pertaining or relatable to the DCS Undertaking of ZTL such as licenses, permits, quotas, approvals, registrations,

lease, tenancy rights in relation to office and residential properties, permissions, buildings, vehicles, incentives if any, and all other rights, title, interests, copyrights, patents, trademarks, trade names and other industrial or intellectual property rights of any nature whatsoever, consent, approvals or powers of every kind nature and description whatsoever in connection with or pertaining or relatable to the DCS Undertaking of ZTL and all deposits and or moneys paid or received by ZTL in connection with or pertaining or relatable to the DCS Undertaking of ZTL, all statutory licences, permissions, approvals or consents to carry on the operations of the DCS Undertaking of ZTL.

Explanation: Investments by ZTL in Siti Cable would include investments by way of equity shares, share application money and advances to Siti Cable.

For the purpose of this Scheme, it is clarified that liabilities pertaining to the DCS Undertaking of ZTL include :

- (a) The liabilities, which arise out of the activities or operations of the DCS Undertaking of ZTL.
  - (b) Specific loans and borrowings raised, incurred and utilized solely for the activities or operation of the DCS Undertaking of ZTL.
  - (c) Liabilities other than those referred to in Sub-Clauses (a) and (b) above and not directly relatable to the remaining business of ZTL, being the amounts of general or multipurpose borrowings of ZTL shall be allocated to the DCS Undertaking of ZTL in the same proportion in which the value of the assets transferred under this Clause bear to the total value of the assets of ZTL immediately before giving effect to this Scheme.
  - (d) Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the DCS Undertaking of ZTL or whether it arises out of the activities or operations of the DCS Undertaking of ZTL shall be decided by mutual agreement between the Board of Directors of ZTL and ASC.
- 1.6. "The Effective Date" or "Coming into effect of this Scheme" means the later of the dates on which the certified copies of the Orders of the High Court of Judicature at Bombay and / or the High Court of Judicature at Delhi sanctioning the Scheme are filed with the Registrar of Companies, Maharashtra, Mumbai and Registrar of Companies, New Delhi respectively;
- 1.7. "NEENL" means New Era Entertainment Network Limited, having its registered office situated at B-10, Essel House, Lawrence Road, Industrial Area, New Delhi - 110 035.
- 1.8. "Record Date" means the date to be fixed by the Board of Directors of ZTL for the purpose of reckoning names of the equity shareholders of ZTL, who shall be entitled to receive shares of ASC upon coming into effect of this Scheme.
- 1.9. "Siti Cable" means Siti Cable Network Limited having its registered office at 135, Continental Building, Dr. Annie Besant Road, Worli, Mumbai - 400 018.
- 1.10. "Scheme" or "Scheme of Arrangement" means this Composite Scheme of Arrangement in its present form or with any modification(s) made under clause 16 of this Scheme.
- 1.11. "The Transferor Companies" means Siti Cable and NEENL collectively.
- 1.12. "The Transferee Company" means ASC.
- 1.13. "ZTL" means Zee Telefilms Limited having its registered office at 135, Continental Building, Dr. Annie Besant Road, Worli, Mumbai - 400 018.



## 2. SHARE CAPITAL

2.1 The share capital structure of ZTL as on March 31, 2005 is as under:

<b>Authorised</b>	<b>Amount (Rs. in '000)</b>
500,000,000 Equity Shares of Re. 1 each	500,000
2,500,000 Cumulative Redeemable Preference Shares of Re.100 each	250,000
<b>Total</b>	<b>750,000</b>
<b>Issued, Subscribed and Paid-up</b>	
412,505,012 Equity shares of Re. 1 each, fully paid	412,505
Less: Calls in arrears (others)	67
<b>Total</b>	<b>412,438</b>

The equity shares of ZTL are listed on The Bombay Stock Exchange Limited, the National Stock Exchange of India Limited and the Calcutta Stock Exchange Association Limited.

ZTL has issued 10,000 3.5% (YTM) Foreign Currency Convertible Bonds of US\$ 10,000 each aggregating to US\$ 100 million.

Subsequent to March 29, 2006 ZTL issued and allotted 444,949 equity shares of Re.1 each to Foreign Currency Convertible Bond Holders, who opted the conversion right pursuant to the terms of the issue. Pursuant to such issue of further shares, the Issued & Subscribed equity share capital of ZTL is Rs.412,949,961 divided into 412,949,961 equity shares of Re.1 each.

2.2 The share capital structure of Siti Cable as on March 31, 2005 is as under:

<b>Authorised</b>	<b>Amount (Rs. in '000)</b>
105,000,000 Equity Shares of Rs. 10 each	1,050,000
43,000,000 14% Non-Cumulative Redeemable Preference Shares of Rs.10 each	430,000
<b>Total</b>	<b>1,480,000</b>
<b>Issued, Subscribed and Paid-up</b>	
1,936,388 Equity Shares of Rs. 10 each, fully paid up	19,364
21,500,000 14% Non-Cumulative Redeemable Preference Shares of Rs.10 each fully paid up	215,000
<b>Total</b>	<b>234,364</b>

Siti Cable is a wholly owned subsidiary of ZTL.

2.3 The share capital structure of NEENL as on March 31, 2005 is as under:

<b>Authorised</b>	<b>Amount (Rs. In '000)</b>
50,000 Equity Shares of Rs. 10 each	500
<b>Total</b>	<b>500</b>
<b>Issued, Subscribed and Paid-up</b>	
50,000 Equity Shares of Rs. 10 each	500
<b>Total</b>	<b>500</b>

NEENL is a wholly owned subsidiary of Siti Cable.

2.4 The share capital structure of ASC as on March 31, 2005 is as under:

<b>Authorised</b>	<b>Amount (Rs. In '000)</b>
73,000,000 Equity Shares of Rs. 10 each	730,000
<b>Total</b>	<b>730,000</b>
<b>Issued, Subscribed and Paid-up</b>	
71,568,765 Equity Shares of Rs. 10 each, fully paid up	715,688
<b>Total</b>	<b>715,688</b>

ASC is a closely held company.

### 3. DATE WHEN THE SCHEME COMES INTO OPERATION

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court of Judicature at Bombay and Delhi, shall be effective from the Appointed Date but shall be operative from the Effective Date.

### 4. VESTING OF DCS UNDERTAKING

Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, the entire DCS Undertaking shall, pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Act, without any further act, instrument or deed, be transferred to and vest in or be deemed to be transferred to and vested in ASC, as a going concern, so as to vest in ASC all the rights, title and interest of ZTL therein, subject to subsisting charges and pledges, if any.

This provisions of this Scheme as they relate to the demerger of the 'DCS Undertaking', have been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the Income-tax Act, 1961. Such modification will however not affect the other parts of the Scheme.

## **5. TRANSFER AND VESTING OF THE TRANSFEROR COMPANIES**

- 5.1 Upon the coming into effect of the Scheme and vesting of the DCS Undertaking of ZTL into ASC as per Clause 4 above and with effect from the Appointed Date and subject to the provisions of the Scheme, the entire business and whole of the undertakings of the Transferor Companies as going concerns including all the debts, liabilities, duties and obligations and also including, without limitation, all properties and assets (whether movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and / or in the control of or vested in or granted in favour of or enjoyed by the Transferor Companies) such as intellectual rights, licenses, permits, quotas, approvals, registrations, lease, tenancy rights in relation to office and residential properties, permissions, investments, buildings, plant and machinery, office equipments, vehicles, incentives if any, and all other rights, title, interests, copyrights, patents, trademarks, trade names, contracts, agreements, consent, approvals or powers of every kind nature and description whatsoever and all deposits and or moneys paid or received by the Transferor Companies in connection with or relating to the undertakings in connection with or relating to the undertakings shall under the provisions of Sections 391 to 394 of the Act and pursuant to the orders of the High Courts sanctioning this Scheme and without further act, instrument or deed, but subject to the charges affecting the same as on the Effective Date, be transferred and/or deemed to be transferred to and vested in ASC so as to become the properties and assets of ASC.

However, if the directors of the Transferor Companies and ASC, so desire, all the movable assets comprised in the Transferor Companies shall not vest in ASC by virtue of the Orders of the High Court of Judicature at Delhi or such other competent authority, as may be applicable, which shall not operate as a conveyance but shall be transferred in the manner laid down in Clause 5.2 hereunder.

- 5.2 At the option of the Boards of Directors of the Transferor Companies and ASC, the transfer referred in para 5.1 above shall be carried out as follows:
- i) All the movable assets of the Transferor Companies, including furniture and fixtures, vehicles, computers and printers, office equipments, cash on hand, etc. shall be physically handed over by manual delivery (together with duly executed transfer forms or other documents as may be required) to ASC along with such other documents as may be necessary to the end and intent that the property therein passes to ASC on such delivery.
  - ii) In respect of movable assets, other than those specified in sub-clause (i) above, including sundry debtors, outstanding loans, recoverable in cash or in kind or value to be received, bank balances and deposits the following modus operandi shall be followed:

The Transferor Companies shall give notice in such form as they may deem fit and proper to each party, debtors or depositors as the case may be, that pursuant to the High Court of Judicature at Delhi or such other competent authority, as may be applicable, having sanctioned the Scheme, the said debt, loan, advances, etc. be paid or made good or held on account of ASC as the persons entitled thereto, to the end and intent that the right of the Transferor Companies to recover or realise the same stands extinguished. ASC may, if required, give notice in such form as it may deem fit and proper to each person, debtor or depositor that pursuant to the High Court of Judicature at Delhi or such other competent authority, as may be applicable, having sanctioned the Scheme, the said person, debtor or depositor should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of ASC to recover or realise the same is in substitution of the right of the Transferor Companies.

- 5.3 All statutory licences, permissions, approvals or consents to carry on the operations of the Transferor Companies shall stand vested in or transferred to ASC without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of ASC upon the vesting and transfer of the undertakings of the Transferor Companies pursuant to this Scheme. The benefit of all statutory and regulatory permissions or other licences and consents shall vest in and become available to ASC pursuant to this Scheme. In so far as the various incentives, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Transferor Companies, as the case may be, are concerned, the same shall vest with and be available to ASC on the same terms and conditions.

Provided that notwithstanding anything contained in any document, papers or writings executed by the Transferor Companies, this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Companies which shall vest in ASC by virtue of the Scheme and ASC shall not be obliged to create any further, or additional security therefore as a condition for approval of the Scheme, after the Scheme has become effective or otherwise.

- 5.4 All debts, liabilities, duties and obligations of the Transferor Companies shall, without any further act or deed be and stand transferred to ASC.
- 5.5 ASC may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of the creditors of the Transferor Companies or in favour of any other party, to any contract or arrangement to which the Transferor Companies are parties or any writings, as may be necessary, in order to give formal effect to the above provisions. ASC shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor Companies and to implement or carry out all such formalities or compliances referred to above on the part of the Transferor Companies.
- 5.6 The provisions of this Scheme as they relate to the merger of the Transferor Companies, 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 terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from

an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income-tax Act, 1961. Such modification will however not affect the other parts of the Scheme.

## **6. CAPITAL REORGANISATION OF ASC AND DISCHARGE OF CONSIDERATION BY ASC**

### **6.1 On demerger of the DCS Business**

#### **(i) Split of Equity Share Capital of ASC**

- a. The current paid-up share capital of ASC is Rs. 715,687,650 divided into 71,568,765 Equity Shares of Rs.10 each.
- b. Upon or before the Scheme becoming operative, the paid-up capital of ASC shall be reorganized to Rs. 715,687,650 divided into 715,687,650 Equity Shares of Re. 1 each fully paid-up.

#### **(ii) Entitlement of shares in ASC**

- a. Upon coming into effect of the Scheme, and in consideration for the transfer of the DCS Undertaking in ASC, the members of ZTL holding fully paid-up equity shares in ZTL and whose names appear in the register of members of ZTL, on the Record Date would be entitled to equity shares in ASC as follows :

“23 (Twenty Three) fully paid up equity shares of Re.1 each of ASC shall be issued and allotted for every 10 (Ten) equity shares of Re. 1 each held in ZTL.”

#### **(iii) Capital Reduction in ASC**

- a. Upon the Scheme becoming effective, the fully paid-up equity share capital of ASC after giving effect to the entitlement of shares as per clause 6(ii), shall be reduced as follows: “The reduction shall be effected by canceling 3 (Three) equity shares of Re 1 each fully paid-up for every 4 (Four) equity shares of Re 1 each fully paid-up held in ASC.”
- b. Such reduction of equity share capital of ASC as provided in this Clause shall be effected as a part of the Scheme, as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid up share capital, and the Order of the Court sanctioning the Scheme shall be deemed to be an Order under Section 102 of the Act confirming such reduction of equity share capital of ASC.

#### **(iv) Issuance of Equity Shares**

ASC shall without any application or deed, issue and allot equity shares, credited as fully paid-up to the members of ZTL holding fully paid-up equity shares in ZTL and whose names appear in the register of members of ZTL on the Record Date or such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of ZTL, as per the entitlement in clause 6(ii) and as reduced by the capital reduction detailed in clause 6(iii), which shall be as under:

“5.75 fully paid up equity shares of Re.1 each of ASC for every 10 equity shares of Re 1 each held in ZTL.”

- (v) No coupons shall be issued in respect of fractional entitlements, if any, by ASC, to the members of ZTL at the time of issue and allotment of Equity Shares as above. The Board of Directors of ASC shall consolidate all fractional entitlements, if any, arising due to the demerger of the DCS Business Undertaking and allot Equity Shares in lieu thereof to a director or such other authorized representative(s) as the board of directors of ASC shall appoint in this behalf, who shall hold the Equity Shares issued in ASC, in trust on behalf of the members entitled to fractional entitlements with the express understanding that such director(s) or other authorized representative(s) shall sell the same in the market at such time or times and at such price or prices and to such person or persons, as it/he/they may deem fit, and pay to ASC, the net sale proceeds thereof, whereupon ASC shall distribute such net sale proceeds, subject to taxes, if any, to the members in proportion to their respective fractional entitlements. The Board of Directors of ASC, if it deems necessary, in the interests of allottees, approve such other method in this behalf as it may, in its absolute discretion, deem fit.
- (vi) The Equity Shares to be issued to the members of ASC as above shall be subject to the Memorandum and Articles of Association of ASC and shall rank pari passu with the existing equity shares of ASC in all respects including dividends.
- (vii) The Equity Shares shall be issued in dematerialized form to those shareholders who hold shares of ZTL in dematerialized form, in to the account in which ZTL shares are held or such other account as is intimated by the shareholders to ZTL and / or its Registrar before the Record Date. All those shareholders who hold shares of ZTL in physical form shall also have the option to receive the Equity Shares in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to ZTL and / or the Registrar before the Record Date. Otherwise, they would be issued Equity Shares in physical form.
- (viii) ASC shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment of Equity Shares to the members of ZTL under the Scheme.
- (ix) The Equity Shares of ASC shall be listed on all the stock exchanges on which the shares of ZTL are listed as on the Effective Date.
- (x) In the event of their being any pending share transfer, whether lodged or outstanding, of any shareholder of ZTL, the Board of Directors or any committee thereof of ZTL shall be empowered even subsequent to the Effective Date, to effectuate such transfer as if such changes in the registered holder were operative from the Effective Date, in order to remove any difficulties arising to the transfer of shares after the Scheme becomes effective.
- (xi) The issue and allotment of Equity Shares to the members of ZTL, as provided in this Scheme, shall be deemed to be made in compliance with the procedure laid down under Section 81(1A) and any other provisions of the Act.
- (xii) As a part of this Composite Scheme and to comply with the regulatory requirements, Foreign Promoters of ZTL / ASC will transfer their appropriate holdings in ASC to the Indian Promoters.



Subject to obtaining the requisite approvals, the above transfer will be effected after the Record Date but before the listing of the equity shares issued by ASC pursuant to the Scheme.

## **6.2 On merger of the Transferor Companies**

- (i) Pursuant to operation of Clause 4 i.e. demerger of the DCS undertaking, Siti Cable and NEENL would become wholly owned subsidiaries of ASC and hence upon the merger of the Transferor Companies into ASC, the entire equity capital of the Transferor Companies shall stand automatically cancelled and there will not be any issue and allotment of shares of ASC.

## **7. ACCOUNTING TREATMENT**

### **7.1 IN THE BOOKS OF ASC**

#### **7.1.1 On account of vesting of the DCS Undertaking**

- 7.1.1.1 ASC shall, upon the operation of Clause 4 of this Scheme, record the assets and liabilities of the DCS Undertaking, vested in it pursuant to this Scheme, at their respective book values.
- 7.1.1.2 The inter-corporate deposits / loans and advances outstanding between ASC and DCS Undertaking of ZTL will stand cancelled and there shall be no further obligation / outstanding in that behalf.
- 7.1.1.3 The face value of the equity shares issued by ASC to the shareholders of ZTL shall be credited to the Equity Share Capital account of ASC.
- 7.1.1.4 The value of net assets of DCS Undertaking of ZTL as reduced by the face value of equity shares issued under clause 6.1 above shall be debited / credited to the Restructuring Account of ASC, as the case may be.

#### **7.1.2 On account of vesting of the Transferor Companies**

- 7.1.2.1 ASC shall record the values of all the tangible and intangible assets and liabilities of the Transferor Companies at their respective fair values.
- 7.1.2.2 The inter-corporate deposits / loans and advances / share application money outstanding between ASC and the Transferor Companies will stand cancelled and there shall be no further obligation / outstanding in that behalf.
- 7.1.2.3 The investment in the Transferor Companies appearing in the books of account of ASC shall stand cancelled.
- 7.1.2.4 The value of net assets of the Transferor Companies as reduced by the cancellation in the value of investments in the Transferor Companies shall be debited / credited to the Restructuring Account of ASC, as the case may be.

#### **7.1.3 Miscellaneous**

- 7.1.3.1 The debit balance in the Profit & Loss account as on April 1, 2006 shall be transferred to the Restructuring Account of ASC.



7.1.3.2 The balance in Securities Premium Account and the credit arising pursuant to reduction of share capital as per clause 6.1 (iii) above shall be transferred to the Restructuring Account of ASC, to be utilised to adjust the debit balance in the profit & loss account.

7.1.3.3 The surplus in the Restructuring Account after carrying out the above adjustments shall be credited to the General Reserve Account of ASC and deficit, if any, arising upon such adjustments, would be debited to the Goodwill Account.

The application and the reduction of the Securities Premium Account, as per clause 7.1.3.2 above, shall be effected as an integral part of the Scheme, as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid up share capital, and the Order of the Court sanctioning the Scheme shall be deemed to be an Order under Section 102 of the Act confirming the reduction.

7.1.3.4 Further, in case of any differences in accounting policy between ASC and the Transferor Companies, the accounting policies followed by ASC will prevail and the difference till the Appointed Date, as the case may be, will be quantified and adjusted in the Profit & Loss Account to ensure that the financial statements of ASC reflect the financial position on the basis of consistent accounting policy.

## **7.2 IN THE BOOKS OF ZTL**

7.2.1 The deficit arising on account of transfer of net assets of DCS Undertaking to ASC and after adjusting the appreciation and / or diminution, if and to the extent considered necessary by the Board of Directors of ZTL, in the value of certain of its assets whether fixed or current or investments, as on the Appointed Date in the books of ZTL, shall be adjusted against the Securities Premium Account of ZTL.

7.2.2 The application and reduction of the Securities Premium Account, as per clause 7.2.1 above, shall be effected as an integral part of the Scheme itself as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid up share capital and the order of the Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act confirming the reduction.

## **8. DIVIDEND AND PROFITS**

8.1 The Transferor Companies shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the financial year/accounting period prior to the Appointed Date. The Transferor Companies shall obtain the consent of the Board of Directors of Transferee Company before declaration of any dividend. Transferor Companies shall not transfer any amount from the reserves or amount lying in credit to the Profit & Loss account on the Appointed Date for the purpose of payment of dividend without consent of the Transferee Company.

- 8.2 Subject to the provisions of the Scheme, the profits of the Transferor Companies for the period beginning from the Appointed Date shall belong to and be the profits of the Transferee Company and will be available to the Transferee Company for being disposed of in any manner as it thinks fit including declaration of dividend by the Transferee Company in respect of its financial year ending on 31st March, 2006 or any year thereafter.
- 8.3 It is clarified, however, that the aforesaid provisions in respect of declaration of dividend are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Companies or the Transferee Company to demand or claim any dividend which shall be entirely at the discretion of the Board of Directors and subject to the provisions of the said Act.

## **9. TRANSACTIONS BETWEEN THE APPOINTED DATE AND EFFECTIVE DATE**

9.1 During the period between the Appointed Date and the Effective Date :

- i) ZTL and the Transferor Companies shall be deemed to have held and stood possessed of and shall hold and stand possessed of the assets and liabilities of DCS Undertaking and the entire business and undertakings of the Transferor Companies respectively for and on account of and in trust for ASC;
- ii) All the profits or income accruing or arising to ZTL on account of the DCS Undertaking, and the Transferor Companies, including dividends, or expenditure or losses arising or incurred by the ZTL on account of the DCS undertaking and by the Transferor Companies, shall for all purposes be treated and deemed to accrue as the profits or income or expenditure or losses, as the case may be of ASC; and
- iii) The Transferor Companies shall carry on its business and activities with reasonable diligence and business prudence and shall not venture into/expand any new businesses, invest in shares, etc, alienate, charge, mortgage, encumber or otherwise deal with the significant assets or any part thereof except in the ordinary course of business without the prior written consent of ASC;
- iv) ZTL as relatable to the DCS Undertaking and the Transferor Companies shall not utilize the profits or income, if any, for the purpose of declaring or paying any dividend or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of ASC;
- v) Transferor Companies shall not without the prior written consent of ASC, issue or allot any further securities, either by way of rights or bonus shares;

- vi) ASC shall be entitled, pending sanction of the Scheme, to apply to the Central Government, State Government, Union Territories and all other concerned agencies, departments and authorities (statutory or otherwise) as are necessary under any law for such consents, approvals and sanctions, which ASC may require to carry on the business of DCS Undertaking of ZTL and the Transferor Companies.

- 9.2 As and from the date of acceptance of this Scheme by the Board of Directors of ZTL, the Transferor Companies and ASC and till the Effective Date, ZTL and Transferor Companies shall not alienate, charge, mortgage, encumber or otherwise deal with the assets of DCS Undertaking and undertakings of the Transferor Companies or any part thereof without the prior written concurrence of the Board of Directors of ASC.

## **10. STAFF, WORKMEN & EMPLOYEES**

- 10.1 On the Scheme becoming operative, all staff, workmen and employees of the DCS undertaking of ZTL and the Transferor Companies shall become the employees of ASC, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with ASC shall not be less favourable than those applicable to them with reference to the DCS undertaking of ZTL and the Transferor Companies immediately preceding the transfer.
- 10.2 As far as the Provident Fund, Gratuity Fund, Superannuation Fund or any other special fund created or existing for the benefit of such permanent employees of the DCS Undertaking of ZTL and the Transferor Companies and are concerned, on and from the Effective Date, ASC shall stand substituted for the ZTL and the Transferor Companies, as the case may be, for all the purposes whatsoever related to administration or operation of such Funds in accordance with provisions of such Funds according to the terms provided in the respective trust deeds or other documents. It is the aim and intent that all the rights, duties, powers and obligations of ZTL as relatable to the DCS Undertaking and the Transferor Companies and in relation to such Funds shall become those of ASC. It is clarified that the services of such permanent employees of the DCS undertaking of ZTL and the Transferor Companies and will be treated as having been continuous and not interrupted for the purposes of such Funds.

## **11. LEGAL PROCEEDINGS**

- 11.1 All legal proceedings of whatsoever nature by or against ZTL on account of the DCS Undertaking or the Transferor Companies pending and/or arising at the Appointed Date, as and from the Effective Date, shall be continued and enforced by or against ASC in the manner and to the same extent as would or might have been continued and enforced by or against ZTL or the Transferor Companies, as the case may be.
- 11.2 After the Appointed Date, if any proceedings are taken against ZTL or the Transferor Companies in respect of the matters referred to in the sub-clause 11.1 above, ZTL or the Transferor Companies shall defend the same at the cost of ASC and ASC shall reimburse and indemnify ZTL or the Transferor Companies against all liabilities and obligations incurred by ZTL or the Transferor Companies in respect thereof.

- 11.3 ASC undertakes to have all legal or other proceedings initiated by or against ZTL or the Transferor Companies referred to in sub-clause 11.1 above, transferred into its name and to have the same continued, prosecuted and enforced by or against ASC to the exclusion of ZTL or the Transferor Companies.

**12. CONTRACTS, DEEDS, ETC.**

Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and to which ZTL on account of the DCS Undertaking or any of the Transferor Companies is a party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of ASC, as the case may be, and may be enforced by or against ASC as fully and effectually as if, instead of ZTL or the Transferor Companies, ASC had been a party thereto from inception. ASC shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any arrangements, confirmations or novations, in order to give formal effect to the provisions of this Scheme. ASC shall be deemed to be authorised to execute any deeds, writings or confirmations on behalf of ZTL or the Transferor Companies and to implement or carry out all formalities required on the part of ZTL or the Transferor Companies to give effect to the provisions of this Scheme.

**13. SAVING OF CONCLUDED TRANSACTIONS & PROCEEDINGS**

- 13.1 The transfer of and vesting of DCS Undertaking under Clause 4 and the transfer of undertakings of the Transferor Companies under Clause 5 above and the continuance of proceedings by or against ASC under Clause 11 above shall not affect any transaction or proceedings already concluded by ZTL, in respect of DCS Undertaking, or the Transferor Companies on or after the Appointed Date till the Effective Date, to the end and intent that ASC accepts and adopts all acts, deeds and things done and executed by ZTL and the Transferor Companies, as the case may be, in respect thereto as done and executed on behalf of itself.

**14. DISSOLUTION OF THE TRANSFEROR COMPANIES**

On the Scheme becoming effective, the Transferor Companies shall stand dissolved without any further act or deed or without being wound-up.

**15. APPLICATION TO HIGH COURTS OR SUCH OTHER COMPETENT AUTHORITY**

ZTL, Siti Cable, NEENL and ASC shall make applications / petitions under Sections 391 to 394 and other applicable provisions of the Act to the High Court of Judicature at Bombay and Delhi, as the case may be, or such other appropriate authority for sanction of this Scheme and for dissolution of the Transferor Companies.

**16. ENHANCEMENT OF BORROWING LIMITS**

Upon the coming into effect of this Scheme, the borrowings limits of ASC, as the case may be, in terms of Section 293(1)(d) of the Act, shall without further act or deed stand enhanced by an amount equivalent to the authorised borrowing limits of ZTL, in respect of DCS Undertaking,

and the Transferor Companies, as the case may be, such limits being incremental to the existing limits of ASC. These limits as enhanced may be increased from time to time by ASC by obtaining the sanction of its shareholders in accordance with the provisions of the said Act.

## **17. MODIFICATION OR AMENDMENTS TO THE SCHEME**

- 17.1 On behalf of ZTL, Siti Cable, NEENL and ASC, the Board of Directors of respective companies, may consent, on behalf of all persons concerned, to any modifications or amendments of the Scheme and without prejudice to the generality of the foregoing, any modification to the Scheme involving withdrawal of any of the parties to the Scheme at any time and for any reason whatsoever, or to any conditions or limitations that the High Court(s) or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors) and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect.
- 17.2 For the purpose of giving effect to this Scheme or to any modification thereof the Board of Directors of ZTL may give and are authorised to give such directions including directions for settling any question of doubt or difficulty that may arise.

## **18. SCHEME CONDITIONAL ON APPROVAL / SANCTIONS**

The Scheme is conditional upon and subject to the following:

- (i) The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.
- (ii) The approval by the requisite majority of the members / creditors of ZTL, Siti Cable, NEENL and ASC as may be directed by the High Court of Judicature at Bombay and Delhi or any other appropriate authority.
- (iii) The approval / no objection to the Scheme by Stock Exchanges where the equity shares of ZTL are presently listed; and
- (iv) The certified copies of the Orders of the High Courts under Section 391 and 394 of the Companies Act sanctioning the Scheme are filed with the Registrar of Companies, Maharashtra Mumbai and the Registrar of Companies, New Delhi.

## **19. EFFECT OF NON-RECEIPT OF APPROVALS**

In the event of any of the said sanctions and approvals referred to in the preceding Clause 18 not being obtained and / or the Scheme not being sanctioned by the High Courts or such other competent authority and / or the Order or Orders not being passed as aforesaid before March 31, 2007 or such other date as the Board of Directors of ZTL may determine, the Scheme shall become null and void, and ZTL shall bear the entire cost, charges and expenses in connection with the Scheme unless otherwise mutually agreed.

## **20. COSTS, CHARGES & EXPENSES**

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of ZTL, Siti Cable, NEENL and ASC arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto, shall be respectively borne by each company incurring the cost.

**SCHEDULE - II**

IN THE HIGH COURT OF DELHI AT NEW DELHI

ORDINARY CIVIL COMPANY JURISDICTION

COMPANY PETITION NO.248 OF 2006

IN THE MATTER OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF SECTIONS 391 TO 394

OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF

M/S ASC ENTERPRISES LIMITED.

AND

**IN THE MATTER OF SCHEME OF ARRANGEMENT BETWEEN ZEE TELEFILMS LIMITED,  
SITI CABLE NETWORK LIMITED, NEW ERA ENTERTAINMENT NETWORK LIMITED,  
AND ASC ENTERPRISES LIMITED AND THEIR RESPECTIVE MEMBERS AND  
CREDITORS**

ASC ENTERPRISES LIMITED, A COMPANY INCORPORATED  
UNDER THE COMPANIES ACT, 1956  
AND HAVING ITS REGISTERED OFFICE AT  
B -10, ESSEL HOUSE,  
LAWRENCE ROAD, INDUSTRIAL AREA,  
NEW DELHI -110 035

... PETITIONER/ TRANSFEREE COMPANY

**SCHEDULE OF ASSETS/PROPERTIES OF NEW ERA ENTERTAINMENT NETWORK LIMITED,  
TRANSFEROR COMPANY**

**PART I**

LIST AND DETAILS OF FREE HOLD PROPERTY OF NEW ERA ENTERTAINMENT NETWORK LIMITED,  
TRANSFEROR COMPANY

S.NO.	PARTICULARS	VALUE AS ON 1.4.2006 (Rs.)
	NIL	NIL
	<b>TOTAL :</b>	NIL

**PART II**

LIST AND DETAILS OF LEASE HOLD PROPERTY OF NEW ERA ENTERTAINMENT NETWORK  
LIMITED, TRANSFEROR COMPANY

S.NO.	PARTICULARS	VALUE AS ON 1.4.2006 (Rs.)
	NIL	NIL
	<b>TOTAL :</b>	NIL

**PART III**

LIST AND DETAILS OF STOCKS, SHARES, DEBENTURES, OTHER ASSETS (MOVEABLE  
PROPERTIES, CURRENT ASSETS) AND OTHER CHARGES IN ACTION OF NEW ERA  
ENTERTAINMENT NETWORK LIMITED, TRANSFEROR COMPANY

S.NO.	PARTICULARS	VALUE AS ON 1.4.2006 (Rs.)
1.	COMPUTERS	64,22,673
2.	OFFICE EQUIPMENTS	21,24,887
3.	FURNITURE & FIXTURE	30,88,496
4.	VEHICLES	1,53,11,384
5.	INVENTORIES	2,00,00,963
6.	SUNDRY DEBTORS	20,01,13,724
7.	CASH AND BANK BALANCES	17,64,560
8.	LOANS AND ADVANCES	6,68,62,911
9.	ADVANCES GIVEN FOR SHARE APPLICATION MONEY TO ASC ENTERPRISES LIMITED	69,00,00,000
10.	INCOME TAX REFUND DUE	27,08,372
11.	MISCELLANEOUS EXPENDITURE TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED	11,020
	<b>TOTAL :</b>	<b>100,84,08,990</b>



#### **PART IV**

LIST AND DETAILS OF SHARE CAPITAL, RESERVES, AND SURPLUS, SECURED AND UNSECURED LOANS, CURRENT LIABILITIES AND PROVISIONS OF NEW ERA ENTERTAINMENT NETWORK LIMITED, TRANSFEROR COMPANY

<b>S. NO.</b>	<b>PARTICULARS</b>	<b>VALUE AS ON 1.4.2006 (Rs.)</b>
1.	SECURED LOANS FROM HDFC BANK	22,71,519
2.	SECURED LOANS FROM ICICI BANK LTD.	48,28,595
3.	UNSECURED LOANS FROM SITI CABLE NETWORK LIMITED	3,30,93,000
4.	SHARE APPLICATION MONEY RECEIVED FROM SITI CABLE NETWORK LIMITED	50,00,00,000
5.	SUNDRY CREDITORS	40,38,84,210
6.	TRADE ADVANCES & DEPOSITS RECD.	5,37,98,580
7.	FRINGE BENEFIT TAX PAYABLE	2,72,148
8.	RESERVE & SURPLUS	75,48,130
9.	DEFERRED TAX LIABILITY	22,12 809
	<b>TOTAL :</b>	<b>100,79,08,991</b>

IN THE HIGH COURT OF DELHI AT NEW DELHI  
ORDINARY CIVIL COMPANY JURISDICTION  
COMPANY PETITION NO.248 OF 2006  
IN THE MATTER OF THE COMPANIES ACT, 1956  
AND  
IN THE MATTER OF SECTIONS 391 TO 394  
OF THE COMPANIES ACT, 1956  
AND  
IN THE MATTER OF  
**M/S ASC ENTERPRISES LIMITED.**  
AND

**IN THE MATTER OF SCHEME OF ARRANGEMENT BETWEEN ZEE TELEFILMS LIMITED,  
SITI CABLE NETWORK LIMITED, NEW ERA ENTERTAINMENT NETWORK LIMITED, AND  
ASC ENTERPRISES LIMITED AND THEIR RESPECTIVE MEMBERS AND CREDITORS**

ASC ENTERPRISES LIMITED, A COMPANY INCORPORATED UNDER THE COMPANIES ACT, 1956 AND HAVING ITS REGISTERED OFFICE AT B -10, ESSEL HOUSE, LAWRENCE ROAD, INDUSTRIAL AREA, NEW DELHI -110 035

...PETITIONER/ TRANSFEREE COMPANY

**SCHEDULE OF ASSETS/PROPERTIES OF DCS UNDERTAKING OF ZEE TELEFILMS LIMITED, TRANSFEROR/DE-MERGED COMPANY**

**PART I**

LIST AND DETAILS OF FREE HOLD PROPERTY OF DCS UNDERTAKING OF ZEE TELEFILMS LIMITED, TRANSFEROR/DE-MERGED COMPANY

S.NO.	PARTICULARS	VALUE AS ON 1.4.2006 (Rs.)
	NIL	NIL
	<b>TOTAL :</b>	NIL

**PART II**

LIST AND DETAILS OF LEASE HOLD PROPERTY OF DCS UNDERTAKING OF ZEE TELEFILMS LIMITED, TRANSFEROR/DE-MERGED COMPANY

S.NO.	PARTICULARS	VALUE AS ON 1.4.2006 (Rs.)
	NIL	NIL
	<b>TOTAL :</b>	NIL

**PART III**

LIST AND DETAILS OF STOCKS, SHARES, DEBENTURES, OTHER ASSETS (MOVEABLE PROPERTIES, CURRENT ASSETS) AND OTHER CHARGES IN ACTION OF DCS UNDERTAKING OF ZEE TELEFILMS LIMITED, TRANSFEROR/DE-MERGED COMPANY

S.NO.	PARTICULARS	VALUE AS ON 1.4.2006 (Rs.)
1.	PLANT & MACHINERY	27,28,74,683
2.	INVESTMENT IN EQUITY SHARES OF SITI CABLE NETWORK LIMITED	1,93,63,880
3.	SHARE APPLICATION MONEY GIVEN TO SITI CABLE NETWORK LIMITED	141,97,13,819
	<b>TOTAL :</b>	<b>171,19,52,382</b>

#### **PART IV**

LIST AND DETAILS OF SHARE CAPITAL, RESERVES, AND SURPLUS, SECURED AND UNSECURED LOANS, CURRENT LIABILITIES AND PROVISIONS OF DCS UNDERTAKING OF ZEE TELEFILMS LIMITED, TRANSFEROR/DE-MERGED COMPANY

<b>S.NO.</b>	<b>PARTICULARS</b>	<b>VALUE AS ON 1.4.2006 (Rs.)</b>
1.	SECURED LOANS FROM JAMMU & KASHMIR BANK	21,76,95,877
2.	SECURED LOANS FROM IDBI BANK	10,86,28,727
3.	PROVISION FOR GRATUITY	13,910
4.	PROVISION FOR LEAVE ENCASHMENT	6,011
	<b>TOTAL :</b>	<b>32,63 44,525</b>

IN THE HIGH COURT OF DELHI AT NEW DELHI

ORDINARY CIVIL COMPANY JURISDICTION

COMPANY PETITION NO.248 OF 2006

IN THE MATTER OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF

M/S ASC ENTERPRISES LIMITED.

AND

**IN THE MATTER OF SCHEME OF ARRANGEMENT BETWEEN ZEE TELEFILMS LIMITED, SITI CABLE NETWORK LIMITED, NEW ERA ENTERTAINMENT NETWORK LIMITED, AND ASC ENTERPRISES LIMITED AND THEIR RESPECTIVE MEMBERS AND CREDITORS**

ASC ENTERPRISES LIMITED, A COMPANY INCORPORATED UNDER THE COMPANIES ACT, 1956  
AND HAVING ITS REGISTERED OFFICE AT B -10, ESSEL HOUSE, LAWRENCE ROAD, INDUSTRIAL  
AREA, NEW DELHI-110 035

...PETITIONER/ TRANSFEREE COMPANY

**SCHEDULE OF ASSETS/PROPERTIES OF SITI CABLE NETWORK LIMITED. TRANSFEROR COMPANY****PART I**

LIST AND DETAILS OF FREE HOLD PROPERTY OF SITI CABLE NETWORK LIMITED, TRANSFEROR COMPANY

S.NO.	PARTICULARS	VALUE AS ON 1.4.2006 (Rs.)
	NIL	NIL
	<b>TOTAL :</b>	NIL

**PART II**

LIST AND DETAILS OF LEASE HOLD PROPERTY OF SITI CABLE NETWORK LIMITED, TRANSFEROR COMPANY

S.NO.	PARTICULARS	VALUE AS ON 1.4.2006 (Rs.)
	NIL	NIL
	<b>TOTAL :</b>	NIL

**PART III**

LIST AND DETAILS OF STOCKS, SHARES, DEBENTURES, OTHER ASSETS (MOVEABLE PROPERTIES, CURRENT ASSETS) AND OTHER CHARGES IN ACTION OF SITI CABLE NETWORK LIMITED, TRANSFEROR COMPANY

S.NO.	PARTICULARS	VALUE AS ON 1.4.2006 (Rs.)
1.	PLANT & MACHINERY	41793203
2.	VEHICLES	1796627
3.	COMPUTERS SOFTWARE	36925866
4.	CAPITAL WORK-IN-PROGRESS	329347821
5.	INVESTMENTS IN EQUITY SHARES OF NEW ERA ENTERTAINMENT NETWORK LIMITED	500000
6.	INVESTMENTS IN EQUITY SHARES OF INTEGRATED SUBSCRIBER MANAGEMENT SERVICES LIMITED	500000
7.	INVENTORIES	2116106
8.	SUNDRY DEBTORS	11214321
9.	CASH AND BANK BALANCES	11497217
10.	LOANS AND ADVANCES	82085728
11.	ADVANCES GIVEN FOR SHARE APPLICATION MONEY TO NEW ERA ENTERTAINMENT NETWORK LIMITED	500000000
12.	PROFIT & LOSS ACCOUNT	438018533
	<b>TOTAL :</b>	<b>1455795422</b>

#### **PART IV**

LIST AND DETAILS OF SHARE CAPITAL, RESERVES, AND SURPLUS, SECURED AND UNSECURED LOANS, CURRENT LIABILITIES AND PROVISIONS OF SITI CABLE NETWORK LIMITED, TRANSFEROR COMPANY

<b>S.NO.</b>	<b>PARTICULARS</b>	<b>VALUE AS ON 1.4.2006 (Rs.)</b>
1.	SECURED LOANS FROM ICICI BANK LTD.	656683
2.	SECURED LOANS FROM KOTAK MAHINDRA PRIMUS LTD.	413253
3.	SHARE APPLICATION MONEY RECEIVED FROM ZEE TELEFILMS LIMITED	1419713819
4.	SUNDRY CREDITORS	13437669
5.	TRADE ADVANCES AND DEPOSITS RECEIVED	2210117
	<b>TOTAL :</b>	<b>1436431541</b>

0516193

#### **HIGH COURT BOMBAY**

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY**

**ORDINARY ORIGINAL CIVIL JURISDICTION**

**COMPANY PETITION NO. 547 OF 2006**

**WITH**

**COMPANY APPLICATION NO. 662 OF 2006**

**In the matter of the Companies Act, 1956;**

**and**

**In the matter of Section 391 to 394 and 78, 100 to 103 of the Companies Act, 1956;**

**and**

In the matter of Scheme of Arrangement between Zee Telefilms Ltd. Siti Cable Network Ltd., New Era Entertainment Network Ltd., ASC Enterprises Ltd. and their respective shareholders.

**WITH**

**COMPANY PETITION NO. 548 OF 2006**

**WITH**

**COMPANY APPLICATION NO. 663 OF 2006**

In the matter of the Companies Act, 1956;

and

In the matter of Section 391 to 394 and 78, 100 to 103 of the Companies Act, 1956;

and

In the matter of Scheme of Arrangement between Zee Telefilms Ltd. Siti Cable Network Ltd., New Era Entertainment Network Ltd., ASC Enterprises Ltd. and their respective shareholders.

Siti Cable Network Ltd.

.....Petitioner

Mr. J.J Bhatt, Senior Advocate with Ms. Anjali Chandorkar & Mustafa Motiwala i/b. PDS Legal for Petitioner

Mr. Parag Vyas i/b Pankaj Kapoor for R.D

Mr. K. V Gautam, Actg. O.L present

CORAM : S.C DHARMADHIKARI, J

DATE : 12th January 2007.

P.C.

1. Mr. Bhatt, learned Senior Counsel appearing for petitioners states that the petitioners have complied with the provisions of the Companies Act and set out necessary details including declarations in the petition. There is thus due compliance with the provisions of law while instituting the petition.
2. He states that prayer clause (c) of this petition is not pressed because relief in terms thereof has already been granted by Delhi High Court.
3. He also states that insofar as proceedings which are initiated against the company by the ROC, save and except the one pending under Section 58A of the Companies Act, the other have been compounded and needless to state that this order would not affect due prosecution and defence of the same.
4. The Regional Director so also the O.L have filed their affidavits and reports. The apprehension of the R.D that the order passed on this petition would adversely affect the tax liability, is not well founded because the same is determined in accordance with the provisions of Tax Laws and merely because the order is couched in a particular form can never affect the same. Save and except this, the R.D has, after referring to all details as directed by this Court in its revised order dated 29th September 2006, stated that the Scheme is not prejudicial to the interest of creditors, shareholders and general public.
5. Since the Compliance with the necessary provisions has been made and due declarations also set out, learned counsel seeks sanction to the scheme of amalgamation.
6. The O.L has also filed his affidavit based on the report of C.A. It has been stated on the basis of the report of C.A who has scrutinized the books of accounts and related papers that the scheme is not contrary to the interest of shareholders, creditors and public at large.
7. I am satisfied from a perusal of the petition and the annexures so also the aforesaid affidavits that no prejudice will be caused if the scheme as proposed by the petitioners is sanctioned.

Accordingly, the Company petition No.547 of 2006 is made absolute in terms of prayer clauses (a), (b) and (d) to (j) and Company Petition No. 548 of 2006 is made absolute in terms of prayer clauses (a), (b), and (d) to (j). Cost of ROC and O.L quantified at Rs.2,500/- each. Drawn up order dispensed with. All concerned to act on authenticated copy of this order.

(S.C. Dharmadhikari J)

**HIGH COURT**

**ORIGINAL ORDINARY CIVIL JURISDICTION COMPANY PETITION NO. 547 OF 2006  
CONNECTED WITH**

**COMPANY APPLICATION NO. 662 OF 2006**

**In the matter of the Companies Act, 1956 (1 of 1956);**

**AND**

**In the matter of Sections 391 to 394 read with Section 78, 100 to 103 and other applicable  
provisions of the Companies Act, 1956:**

**AND**

**In the matter of Scheme of Arrangement between Zee Telefilms Ltd. Siti Cable Network Ltd., New  
Era Entertainment Network Ltd., ASC Enterprises Ltd. and their respective shareholders.**

Zee Telefilms Ltd.

..... Petitioner

**ORDER SANCTIONING SCHEME OF ARRANGEMENT**

DATED THIS 12th DAY OF JANUARY 2007

M/s, PDS Legal,  
Advocate for Petitioners  
31, Maker Chamber VI,  
Nariman Point,  
Mumbai 400 021



**IN THE HIGH COURT OF DELHI AT NEW DELHI**

(Original Company Jurisdiction)

**COMPANY PETITION 507 /2010**

Connected with

**COMPANY APPLICATION (M): 135/2010**

**IN THE MATTER OF COMPOSITE SCHEME OF**

**AMALGAMATION AND ARRANGEMENT**

BETWEEN

M/s DISH TV INDIA LIMITED .....Demerged Company

AND

M/s INTEGRATED SUBSCRIBER MANAGEMENT SERVICES LIMITED..... Resulting/Transferee

Company

AND

M/s AGRANI SATELLITE SERVICES LIMITED.....Transferor Company

(Hereinafter collectively referred to as "Applicant Companies")

**MEMO OF PARTIES**

M/s Dish TV India Limited

A Company incorporated under the Companies Act, 1956

Having its registered office at Essel House, B-10,

Lawrence Road Industrial Area, Delhi – 110035.....Demerged Company

**AND**

M/s Integrated Subscriber Management Services Limited

A Company incorporated under the Companies Act, 1956

Having its registered office at Essel House, B-10,

Lawrence Road Industrial Area, Delhi – 110035.....Resulting/Transferee Company

**AND**

M/s Agrani Satellite Services Limited,

A Company incorporated under the Companies Act, 1956

Having its registered office at Essel House, B-10,

Lawrence Road Industrial Area, Delhi – 110035..... Transferor Company

Petitioner – Demerged Company

Petitioner – Resulting/Transferee Company

Petitioner – Transferor Company

Through

Suman Doval & Associates  
Advocates

53, Babar Road,

New Delhi – 1100 01

Telephone : 011-435 12868, Mobile : 98.101.56903

E-mail: consultingcounsel@gmail.com

sumandoval@hotmail.com

Place : New Delhi

Date : 30<sup>th</sup> Nov, 2010

IN THE HIGH COURT OF DELHI AT NEW DELHI

(ORIGINAL JURISDICTION)

IN THE MATTER OF COMPANIES ACT, 1956

AND

IN THE MATTER OF COMPOSITE SCHEME OF AMALGAMATION

AND ARRANGEMENT BETWEEN

COMPANY PETITION NO. 507/2010

CONNECTED WITH

COMPANY APPLICATION (M) NO. 135/2010

IN THE MATTER OF     M/s. Dish TV India Ltd.  
                                  having its Regd. Office at:  
                                  Essel House, B-10, Lawrence Road Industrial Area,  
                                  Delhi – 110035 .....Petitioner / Demerged Company

AND

IN THE MATTER OF     M/s. Integrated Subscriber Management Services Ltd.  
                                  having its Regd. Office at:  
                                  Essel House, B-10, Lawrence Road Industrial Area,  
                                  Delhi – 110035 ..... Petitioner / Resulting / Transferee Company

AND

IN THE MATTER OF     M/s Agrani Satellite Services Ltd.  
                                  having its Regd. Office at:  
                                  Essel House, B-10, Lawrence Road Industrial Area,  
                                  Delhi – 110035 ..... Petitioner / Transferor Company

**BEFORE HON'BLE MR. JUSTICE MANMOHAN**

**DATED THIS THE 3<sup>rd</sup> DAY OF MARCH, 2011**

**ORDER UNDER SECTION 394 OF THE COMPANIES ACT, 1956**

The above petition came up for hearing on 03/03/2011 for sanction of Composite Scheme of Amalgamation and Arrangement proposed to be made between M/s. Dish TV India Ltd. (hereinafter referred to as Demerged Company); M/s. Integrated Subscriber Management Services Ltd. (hereinafter referred to as Resulting/Transferee Company) and M/s. Agrani Satellite Services Ltd. (hereinafter referred to as Transferor Company) comprising of two stages: (A) being in the nature of demerger of Non-DTH Business of Demerged Company into Resulting/Transferee Company, and (B) being in the nature of amalgamation of Transferor Company with Resulting/Transferee Company. The Court examined the petition; the order dated 08/10/2010, passed in CA(M) 135/2010, whereby the requirement of convening and holding the meetings of Equity Shareholders and Unsecured Creditors of the Transferor and Resulting/Transferee Companies and Secured Creditors of the Resulting/Transferee Company was dispensed with; and the meetings of the Equity Shareholders, Secured and Unsecured Creditors of the Demerged Company was ordered to be convened for the purpose of considering and if thought fit approving with or without modification, the Composite Scheme of Amalgamation and Arrangement annexed to the affidavits dated 21/07/2010 of Mr. Ranjit Singh, Mr. Ranjit Srivastava and Mr. Sopan Ghosh, Authorized Signatory/Company Secretary/Compliance Officer of the Petitioner Companies and the publication in the newspapers namely 'Business Standard' (English) and 'Business Standard' (Hindi) both dated 20/10/2010 containing the advertisement of the notice convening the said meetings; and the affidavit dt. 24/11/2010 of Mr. Aman Ahluwalia, affidavit dt. 25/11/2010 of Mr. Yogesh Jagia and affidavit dt. 24/11/2010 of Mr. Pragyan Pradip Sharma, Chairpersons showing the publication and dispatch of the notices convening the said meetings and also the reports of the Chairpersons as to the result of the said meetings.

The affidavit dated 25/02/2011 of the Regional Director, Northern Region, Ministry of Corporate Affairs, Noida on behalf of the Central Government stating inter-alia that the Central government has no objection to the said scheme.

Upon hearing Mr. Neeraj Kishan Kaul, Sr. Advocate with Mr. Suman Doval, Mr. Sumit Babbar and Mr. Harpreet S. Nagpal, Advocates for the Petitioner Companies; Mr. Rajiv Bahl, Advocate for the Official Liquidator and Mr. Atma Sah, Asstt. Registrar of Companies and in the view of the approval of the Composite Scheme of Amalgamation and Arrangement without any modification by the Equity Shareholders and Unsecured Creditors of the Transferor and Resulting/Transferee Companies and Secured Creditors of the Resulting/Transferee Company and in view of affidavit of Official Liquidator dated 25/02/2011 stating therein that the affairs of the Demerged, Resulting and Transferor Companies have not been conducted in a manner prejudicial to the interest of its Members or to public interest and there being no investigation proceedings pending in relation to the Petitioner Companies under Section 235 to 251 of the Companies Act, 1956.

THIS COURT DOETH HEREBY SANCTION THE COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT set forth in Schedule-I annexed hereto and Doth hereby declare the same to be binding on all the Shareholders & creditors of the Demerged, Resulting and Transferor Companies and all concerned and doth approve the said Composite Scheme of Amalgamation and Arrangement with effect from the appointed date i.e. closing hour of 31<sup>st</sup> March, 2010.

AND THIS COURT DOTH FURTHER ORDER:

**Stage (A)-**

- A-1. That all the property, rights and powers on demerger of Non-DTH Business of Demerged Company specified in Schedule – II hereto be transferred without further act or deed to the Resulting/Transferee Company and accordingly the same shall pursuant to Section 394(2) of the Companies Act, 1956 be transferred to and vest in the Resulting/Transferee Company for all the estate and interest of the demerger of Non-DTH Business of Demerged Company therein but subject nevertheless to all charges now affecting the same; and
- A-2. That all the liabilities and duties on demerger of Non-DTH Business of Demerged Company be transferred without further act or deed to the Resulting/Transferee Company and accordingly the same shall pursuant to Section 394(2) of the Companies Act, 1956 be transferred to and become the liabilities and duties of the Resulting/Transferee Company; and
- A-3. That all the proceedings now pending by or against demerger of Non-DTH Business of demerged Company be continued by or against the Resulting/Transferee Company; and
- A-4. That the Resulting/Transferee Company do without further application allot to such members of demerger of Non-DTH Business of Demerged Company as have not given such notice of dissent as is required by Clause 5.1 of Part 2A given in the Composite Scheme of Amalgamation and Arrangement herein the shares in the Resulting/Transferee Company to which they are entitled under the said Amalgamation and Arrangement; and
- A-5. That the Demerged Company do within 30 days after the date of this order cause a certified copy of this order to be delivered to the Registrar of Companies for registration.

**Stage(B)-**

- B-1. That all the property, rights and powers on the Transferor Company specified in Schedule – II hereto be transferred without further act or deed to the Resulting/Transferee Company and accordingly the same shall pursuant to Section 394(2) of the Companies Act, 1956 be transferred to and vest in the Resulting/Transferee Company for all the estate and interest on Transferor Company therein but subject nevertheless to all charges now affecting the same; and
- B-2. That all the liabilities and duties on the Transferor Company be transferred without further act or deed to the Resulting/Transferee Company and accordingly the same shall pursuant to Section 394(2) of the Companies Act, 1956 be transferred to and become the liabilities and duties of the Resulting/Transferee Company; and
- B-3. That all the proceedings now pending by or against the Transferor Company be continued by or against the Resulting/Transferee Company; and
- B-4. That the Resulting/Transferee Company do without further application allot to such members on the Transferor Company as have not given such notice of dissent as is required by Clause 10.1 of Part 2B given in the Composite Scheme of Amalgamation and Arrangement herein the shares in the Resulting/Transferee Company to which they are entitled under the said Amalgamation and Arrangement; and

B-5. That the Transferor Company do within 30 days after the date of this order cause a certified copy of this order to be delivered to the Registrar of companies for registration and on such certified copy being so delivered, the Transferor Company shall be dissolved without undergoing the process of winding up and the Concerned Registrar of Companies shall place all documents relating to the Transferor Company and registered with him on the file kept in relation to the Resulting/Transferee Company and the files relating to the said Demerged, Transferor and Resulting Companies shall be consolidated accordingly; and

It is clarified that this order will not be construed as an order granting exemption from the payment of stamp duty that is payable in accordance with law; and

That any person interested shall be at liberty to apply to the Court in the above matter for any directions that may be necessary.

**Schedule I**  
**COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT**  
**BETWEEN**  
**DISH TV INDIA LIMITED**  
**AND**  
**AGRANI SATELLITE SERVICES LIMITED**  
**AND**  
**INTEGRATED SUBSCRIBER MANAGEMENT SERVICES LIMITED**  
**AND**  
**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

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**PREAMBLE**

**(A) Background and Description of Companies**

1. Dish TV India Limited ('Dish TV'), having its registered office at Essel House, B-10, Lawrence Road, Industrial Area, New Delhi 110035, is engaged in the business of providing 'Direct-to-home' entertainment. The Company is listed on Bombay Stock Exchange and National Stock Exchange. Dish TV, directly and through its subsidiaries, is also engaged in non DTH businesses such as satellite project, HITS facility, subscriber management service, retailing and selling products and services related to telecommunication, media, entertainment and other related products and services.
2. Agrani Satellite Services Limited ('ASSL'), having its registered office at Essel House, B-10, Lawrence Road, Industrial Area, Delhi 110035, is incorporated to carry on the business of establishing, maintaining and operating satellite system, and providing communication transponder facilities and bandwidth to customers.

3. Integrated Subscriber Management Services Limited ('ISMSL'), having its registered office at Essel House, B-10, Lawrence Road, Industrial Area, Delhi 110035, is in the business of providing services on commercial basis pertaining to subscribers management including raising and collection of bills, collection and maintenance of subscribers information, preparation of required report and call centre activities.
4. Agrani Convergence Limited ('ACL') is 51% subsidiary of Dish TV. The main object of the company is retailing, merchandising and reselling of products and services related to convergence in the telecommunication, information technology and learning, media, entertainment and also for other related products and services

**(B) Purpose of the Scheme**

This Composite Scheme of Amalgamation and Arrangement is presented under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 for:

- 1 Demerger of the Non DTH Business of Dish TV India Limited into Integrated Subscriber Management Services Limited; and
- 2 Amalgamation of Agrani Satellite Services Limited with Integrated Subscriber Management Services Limited

This Scheme also provides for various other matters consequential or otherwise integrally connected with the above.

**(C) Rationale of the Scheme**

Demerger of non DTH Business from Dish TV to ISMSL will facilitate the Company to focus on its core DTH business and merger of ASSL with ISMSL will result in simplification of group structure and cost efficiency.

**(D) Parts of the Scheme**

The Scheme is divided into the following sections:

- (a) **PART A** deals with the Definitions and Share Capital;
- (b) **PART 2A** deals with the demerger of Non DTH Business of Dish TV India Limited into Integrated Subscriber Management Services Limited;
- (c) **PART 2B** deals with the merger of Agrani Satellite Services Limited with Integrated Subscriber Management Services Limited;
- (d) **PART 3** deals with the General Clauses, Terms and Conditions; and
- (e) **PART 4** deals with Other Terms and Conditions

**PART A**

**DEFINITIONS AND SHARE CAPITAL**

**1. DEFINITIONS**

In this Scheme (as defined hereinafter), unless inconsistent with the subject or context, the following expressions shall have the meanings respectively assigned to them:



- 1.1 “**Act**” means the Companies Act, 1956 and shall include any statutory modification, re-enactment or amendments thereof for the time being in force;
- 1.2 “**Appointed Date**” means the closing hour of 31<sup>st</sup> day of March, 2010 or such other date as may be approved by the High Court of Judicature at Delhi or any other appropriate authority;
- 1.3 “**ASSL**” or “**the Transferor Company**” means Agrani Satellite Services Limited, a company incorporated under the Act and having its registered office at Essel House, B-10, Lawrence Road, Industrial Area, Delhi – 110035;
- 1.4 “**Court**” or “**High Court**” means the High Court of Judicature at Delhi and shall include the National Company Law Tribunal, if applicable;
- 1.5 “**Dish TV**” or “**the Demerged Company**” means Dish TV India Limited, a company incorporated under the Act and having its registered office at Essel House, B-10, Lawrence Road, Industrial Area, Delhi – 110035;
- 1.6 “**Effective Date**” means the later of the dates on which the certified copy of the Order of High Court of Judicature at Delhi or any other appropriate authority sanctioning the Scheme, is filed with the Registrar of Companies, Delhi by ASSL, Dish TV and ISMSL;
- 1.7 “**ISMSL**” or “**the Transferee Company**” or “**the Resulting Company**” means Integrated Subscriber Management Services Limited, a company incorporated under the Act and having its registered office at Essel House, B-10, Lawrence Road, Industrial Area, Delhi – 110035;
- 1.8 “**Non- DTH Business**” means the businesses comprising of equity share capital in ASSL and share application money to the extent of pre-operative expenses of ASSL, Equity share capital in Agrani Convergence Limited, Fixed Assets and Capital Work-in-Progress and Security Deposit received pertaining to HITS facility including but not limited to the following assets, liabilities and employees as follows :
- all assets wherever situated, whether movable or immovable, leasehold or freehold, tangible or intangible, including all land, capital work in progress, building, plant & machinery, facilities and assets (including pre operative expenses) related to Non DTH Business, equipment, trademarks, trade names, brands, investments (including shares of ASSL and Agrani Convergence Limited) including any provisions made in relation thereto, IP rights, vehicles, furniture, fixtures, office equipment, computer installations, electrical appliances and accessories;
  - all liabilities present, future and contingent pertaining to or relatable to the Non DTH Business;
  - all rights and licenses, all assignments and grants thereof, all permits, registrations, quota rights, rights (including rights under any agreement, contracts, applications, letters of intent, or any other contracts), approvals, regulatory approvals, entitlements, cash balances, bank balances, bank accounts, receivables, loans and advances (including advances to foreign parties in relation to non DTH Business) including any provisions made in relation thereto, privileges, all other claims, rights and benefits, powers and facilities of every kind, nature and description whatsoever, inventory, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, provisions, funds, benefits of all agreements,



contracts and arrangements and all other interests in connection with or relating to the Non DTH Business;

- all employees of Dish TV substantially engaged in the Non DTH Business as determined by the Board of Directors of Dish TV;
- all deposits and balances with Government, Semi-Government, local and other authorities and bodies, customers and other persons, earnest moneys and/ or security deposits paid or received by Dish TV, directly or indirectly in connection with or in relation to the Non DTH Business;
- all books, records, files, papers, directly or indirectly relating to the Non DTH Business; but shall not include any portion of the Remaining Business of Dish TV.

Explanation: Whether any particular asset, liability or reserve should be included as asset, liability or reserve of the Non DTH Business or otherwise shall be decided mutually by the Directors or any committee thereof of Dish TV and ISMSL;

- 1.9 **“Scheme”** or **“the Scheme”** or **“this Scheme”** means this Composite Scheme of Amalgamation and Arrangement in its present form or with any modification(s) made under Clause 20 of the Scheme as approved or directed by the High Court of Judicature at Delhi.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contract Regulation Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

## 2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court of Judicature at Delhi or made as per Clause 20 of the Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date.

## 3. SHARE CAPITAL

- 3.1 The authorized, issued, subscribed and paid-up share capital of Dish TV as on March 31, 2009 is as under:

Particulars	Amount (in Rupees)
<b>Authorised Capital</b>	
100,00,00,000 Equity shares of Re. 1/- each.	100,00,00,000
<b>TOTAL</b>	<b>100,00,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
42,82,22,803 Equity shares of Re 1/- each fully paid up	42,82,22,803
51,81,49,592 Equity shares of Re 1/- each, paid up Re.0.50 per share	25,90,74,796
<b>TOTAL</b>	<b>68,72,97,599</b>

Subsequent to above Balance Sheet Date, the capital structure has changed as under :

<b>Particulars</b>	<b>Amount (in Rupees)</b>
<b>Authorised Capital</b>	
135,00,00,000 Equity shares of Re. 1/- each.	135,00,00,000
<b>TOTAL</b>	<b>135,00,00,000</b>
<b>Issued and Subscribed Capital</b>	
106,34,19,475 Equity shares of Re 1/- each	106,34,19,475
<b>Paid-up Capital</b>	
1060,140,439 Equity shares of Re 1/- each fully paid up	1060,140,439
2,300,654 Equity shares of Re 1/- each Re.0.75 paid up	1,725,490.50
978,382 Equity shares of Re 1/- each Re.0.50 paid up	489,191
<b>TOTAL</b>	<b>1062,355,120.50</b>

The equity shares of Dish TV are listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

- 3.2 The authorized, issued, subscribed and paid-up share capital of ASSL as on March 31, 2009 is as under:

<b>Particulars</b>	<b>Amount (in Rupees)</b>
<b>Authorised Capital</b>	
100,000,000 Equity Shares of Rs 10 each	1,000,000,000
<b>TOTAL</b>	<b>1,000,000,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
94,401,004 Equity Shares of Rs 10 each fully paid-up	944,010,040
<b>TOTAL</b>	<b>944,010,040</b>

There has been no change in the capital structure of ASSL subsequent to March 31, 2009. The entire share capital of ASSL is held by Dish TV along with nominee shareholders.

- 3.3 The authorized, issued, subscribed and paid-up share capital of ISMSL as on March 31, 2009 is as under:

<b>Particulars</b>	<b>Amount (in Rupees)</b>
<b>Authorised Capital</b>	
50,000 Equity Shares of Rs 10 each	500,000
<b>TOTAL</b>	<b>500,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
50,000 Equity Shares of Rs 10 each fully paid-up	500,000
<b>TOTAL</b>	<b>500,000</b>

There has been no change in the capital structure of ISMSL subsequent to March 31, 2009. The entire share capital of ISMSL is held by Dish TV along with nominee shareholders.

## **PART 2A**

### **DEMERGER OF NON DTH BUSINESS OF DISH TV INDIA LIMITED INTO INTEGRATED SUBSCRIBER MANAGEMENT SERVICES LIMITED**

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

- 4.1 The Non DTH Business of Dish TV shall stand transferred to and vested in or deemed to be transferred to and vested in ISMSL in the following manner:
- 4.2 With effect from the Appointed Date, the whole of the undertaking and properties of the Non DTH Business, shall pursuant to the provisions contained in Sections 391 to 394 and all other applicable provisions, if any, of the Act and without any further act, deed, matter or thing, stand transferred to and vested in and / or be deemed to be transferred to and vested in ISMSL so as to vest in ISMSL all rights, title and interest pertaining to the Non DTH Business.
- 4.3 With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of Dish TV pertaining to Non DTH Business shall also, under the provisions of Sections 391 to 394 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 ISMSL, so as to become from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of ISMSL 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.
- 4.4 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions or approvals or consents held by Dish TV required to carry on operations of Non DTH Business shall stand vested in or transferred to ISMSL without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of ISMSL and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents shall vest in and become available to ISMSL as if they were originally obtained by ISMSL. In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by Dish TV relating to the Non DTH Business, are concerned, the same shall vest with and be available to ISMSL on the same terms and conditions as applicable to Dish TV, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to ISMSL.
- 4.5 As the transfer of assets as above will take place between a parent company and a subsidiary company wherein the parent company is the beneficial owner of not less than 90 per cent of the issued share capital of the subsidiary company, such transfer shall be exempt from stamp duty laws of Delhi in terms of Notification dated 16th January, 1937.

#### **5. CONSIDERATION**

- 5.1 Upon this Scheme becoming effective and in consideration of the demerger of the Non DTH Business of Dish TV into ISMSL, ISMSL shall issue and allot 1,00,000 (One lakh) equity shares of Rs 10 each to Dish TV.

- 5.2 The equity shares to be issued and allotted in terms hereof will be subject to the Memorandum and Articles of Association of ISMSL and shall rank pari passu in all respects, including dividend, with the then existing equity shares of ISMSL.
- 5.3 ISMSL shall take necessary steps, if required, to increase or alter or re-classify, (if necessary), its authorized share capital suitably to enable it to issue and allot the equity shares under this Scheme.
- 5.4 The approval of this Scheme by the shareholders of ISMSL shall be deemed to be due compliance of the provisions of Section 81 (1A) and other relevant and applicable provisions of the Act for the issue and allotment of equity shares by ISMSL to Dish TV, as provided in this Scheme.

#### **6. ACCOUNTING TREATMENT IN THE BOOKS OF ISMSL**

Upon the Scheme becoming effective, ISMSL shall record the demerger of the Non DTH Business of Dish TV as follows:

ISMSL shall credit to its equity share capital account, the face value of equity shares issued as per clause 5.1 above.

- 6.1 ISMSL shall record the assets and liabilities pertaining to the Non DTH Business at their respective fair values.
- 6.2 The difference, being the excess of the fair value of assets of the Non DTH Business over the fair value of liabilities, over the face value of equity shares issued as per clause 5.1 above, shall be credited by ISMSL to its capital reserve account. The deficit, if any, shall be debited to its goodwill account.
- 6.3 If considered appropriate for the purpose of application of uniform accounting methods and policies between Dish TV and ISMSL, ISMSL may make suitable adjustments and reflect the effect thereof in the accumulated debit balance in the profit and loss account of ISMSL.

#### **7. ACCOUNTING TREATMENT IN THE BOOKS OF DISH TV**

- 7.1 Upon the Scheme becoming effective, the equity shares received by Dish TV pursuant to this Scheme shall be recorded by Dish TV at face value.
- 7.2 Dish TV shall reduce from its books, the book value of assets and liabilities alongwith relatable provisions, if any, demerged as part of the Non DTH Business to ISMSL, pursuant to the Scheme with a corresponding debit / credit to the Business Restructuring Reserve account
- 7.3 The balance in the Business Restructuring Reserve account after adjusting for the face value of equity shares of ISMSL issued pursuant to this Scheme shall be adjusted against the balance lying in the general reserve account of Dish TV as on March 31, 2010.

### **PART 2B**

#### **MERGER OF AGRANI SATELLITE SERVICES LIMITED WITH INTEGRATED SUBSCRIBER MANAGEMENT SERVICES LIMITED**

#### **8. TRANSFER AND VESTING**

- 8.1 Upon the Scheme becoming effective, and with effect from the Appointed Date, the entire business and whole of the undertaking of ASSL, including all its properties and assets of whatsoever nature

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, tax credits, investments, reserves, provisions, funds, licenses, registrations, copyrights, any brand name, patents, trademarks and other rights and licenses in respect thereof, permits, quotas, approvals, actionable claims, all rights / title or interest in property(ies) by virtue of any court order / decree, contractual arrangement, allotment, grant, possession or otherwise, lease, tenancy rights, permissions, incentives, licenses including but not limited to export license, import license, industrial and other licenses, bids, tenders, municipal and other statutory permissions, approvals including but not limited to right to use and avail electricity connections, water connections, telephone connections, facsimile connections, telexes, e-mail, internet, leased line connections and installations, all records, files, papers, engineering and process information, computer programs, manuals, data, catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customer credit information, other records whether in physical, electronic form in connection/ relating to ASSL and all other rights, title, interest, contracts, consent, approvals or powers of every kind, nature and descriptions whatsoever, situated belonging to or in the possession of or granted in favour of or enjoyed by ASSL, shall under the provisions of Sections 391 to 394 of the Act and pursuant to the order of the High Court or any other appropriate authority sanctioning this Scheme and without further act, instrument or deed, be transferred to and vested in and/or deemed to be transferred to and vested in ISMSL.

- 8.2 Upon the Scheme becoming effective and with effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of ASSL as on the close of business on the date preceding the Appointed Date, whether or not provided in the books of ASSL, shall be deemed to be the debts, liabilities, duties and obligations of ISMSL 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.
- 8.3 The transfer and vesting of the entire business and assets and liabilities as aforesaid of ASSL, 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 ASSL.

Provided however, any reference in any security documents or arrangements (to which ASSL is a party) to the assets of ASSL 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 ASSL as are vested in ISMSL by virtue of the aforesaid clauses, 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 ASSL or any of the assets of ISMSL.

Provided further that the securities, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of ASSL shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charges and mortgages shall not extend or be deemed to extend, to any of the



assets of ASSL vested in ISMSL.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by ASSL which shall vest in ISMSL by virtue of the amalgamation of ASSL with ISMSL and ISMSL shall not be obliged to create any further or additional security therefore after the Scheme has become operative.

- 8.4 In respect of all the movable assets of ASSL and the assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, including cash on hand (together with duly executed transfer forms or other documents as may be required), shall be so transferred to ISMSL and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, to ISMSL to the end and intent that the property and benefit therein passes to ISMSL with effect from the Appointed Date.
- 8.5 In respect of any intangible moveable assets of ASSL other than those mentioned in Clause 8.4 above, including actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, ASSL shall if so required by ISMSL, and ISMSL may, issue notices in such form as ISMSL may deem fit and proper stating that pursuant to the High Court having sanctioned this Scheme, the relevant debt, loan, advance or other asset, be paid or made good or held on account of ISMSL, as the person entitled thereto, to the end and intent that the right of ASSL to recover or realise the same stands transferred to ISMSL and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- 8.6 Upon the Scheme becoming effective, with effect from the Appointed Date, any brands, copyrights, trademarks, statutory licenses, permissions, approvals, quotas or consents to carry on the operations and business of ASSL shall stand vested in or transferred to ISMSL without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of ISMSL. The benefit of all brands, copyrights, trademarks, statutory and regulatory permissions, factory licenses, environmental approvals and consents, sales tax registrations, excise registrations, service tax registrations or other licenses and consents shall vest in and become available to ISMSL pursuant to this Scheme.
- 8.7 Pursuant to demerger of Non DTH Business of Dish TV to ISMSL, ISMSL shall hold entire equity share capital of ASSL thereby, making ASSL its 100% subsidiary. As on merger of ASSL with ISMSL, the transfer of assets as above will take place between a parent company and a subsidiary company wherein the parent company is the beneficial owner of not less than 90 per cent of the issued share capital of the subsidiary company, such transfer shall be exempt from stamp duty laws of Delhi in terms of Notification dated 16th January, 1937.

## **9. ACCOUNTING TREATMENT IN THE BOOKS OF ISMSL**

- 9.1 On the Scheme becoming effective, ISMSL shall account for the merger in its books of accounts as under:
- (a) The investments in the equity share capital of ASSL, as will appear in the books of accounts of ISMSL pursuant to Part 2A of this Scheme, shall stand cancelled;
- (b) Inter-company balances, if any, between ASSL and ISMSL shall stand cancelled;

- (c) All the assets and liabilities recorded in the books of ASSL shall be transferred to and vested in ISMSL pursuant to the Scheme and shall be recorded by ISMSL at their respective fair market values;
- (d) The difference in the net assets of ASSL transferred to and recorded by ISMSL, after making the adjustment as mentioned in sub-clauses (a) and (b) above, shall be adjusted to Goodwill/ Capital Reserve, as the case may be;
- (e) If considered appropriate for the purpose of application of uniform accounting methods and policies between ASSL and ISMSL, ISMSL may make suitable adjustments and reflect the effect thereof in accumulated debit balance in the profit and loss account.

## **10. CONSIDERATION**

- 10.1 Pursuant to Part 2A of the Scheme, ASSL shall become a wholly owned subsidiary of ISMSL. Since ISMSL is not permitted to issue shares to itself under the provisions of the Act, no new shares shall be issued or allotted by ISMSL, as consideration of amalgamation of ASSL in terms of Clause 8 above.

## **PART 3**

### **GENERAL CLAUSES, TERMS AND CONDITIONS**

## **11. CONDUCT OF BUSINESS STILL EFFECTIVE DATE**

- 11.1 Upon the filing of the Scheme with the High Court and up to and including the Effective Date:

- (a) Dish TV in respect of Non DTH Business and ASSL shall carry on and deemed to have carried on their respective businesses and activities and shall stand possessed of their respective businesses and undertakings, in trust for ISMSL and shall account for the same to ISMSL.
- (b) All the income or profits accruing or arising to Dish TV in respect of Non DTH Business and ASSL and all costs, charges, expenses or losses incurred by Dish TV in respect of Non DTH Business and ASSL shall for all purposes be treated as the income, profits, costs, charges, expenses and losses, as the case may be, of ISMSL.
- (c) Dish TV in respect of Non DTH Business and ASSL shall carry on their respective businesses and activities with reasonable diligence and business prudence and shall not alter or diversify its respective businesses nor venture into any new businesses, nor alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business without the prior consent of ISMSL or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the respective Boards of Directors of Dish TV, ASSL and ISMSL.
- (d) ISMSL shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government(s) and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which ISMSL may require to carry on the business of Dish TV in respect of Non DTH Business and ASSL.

## **12. LEGAL PROCEEDINGS**

- 12.1 If any suit, appeal or other proceeding of whatever nature by or against Dish TV in respect of Non DTH Business and ASSL is pending, the same shall not abate or be discontinued or in any way be



prejudicially affected by reason of the amalgamation or demerger or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against ISMSL, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Dish TV in respect of Non DTH Business and ASSL as if this Scheme had not been made.

### **13. CONTRACTS, DEEDS, APPROVALS, EXEMPTIONS ETC.**

- 13.1 With effect from the Appointed Date and upon the Scheme becoming effective, all contracts, deeds, bonds, agreements, schemes, arrangements, insurance policies, indemnities, guarantees and other instruments of whatsoever nature in relation to Dish TV in respect of Non DTH Business and ASSL, or to the benefit of which Dish TV in respect of Non DTH Business and ASSL may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour of ISMSL and may be enforced as fully and effectually as if, instead of Dish TV in respect of Non DTH Business and ASSL, ISMSL had been a party or beneficiary or obligee thereto.
- 13.2 With effect from the Appointed Date and upon the Scheme becoming effective, all rights and licenses relating to trademarks, know-how, technical know-how, trade names, descriptions, trading style, labels, label designs, logos, emblems, and items of such nature, colour schemes, utility models, holograms, bar codes, designs, patents, copyrights, privileges and any rights, title or interest in intellectual property rights in relation to Dish TV in respect of Non DTH Business and ASSL to which Dish TV and ASSL are a party respectively or to the benefit of which Dish TV and ASSL may be entitled/ eligible respectively shall be in full force and effect on, or against, or in favour of, ISMSL as the case may be, and may be enforced as fully and effectually as if, instead of the Dish TV and ASSL, ISMSL had been a party or beneficiary or obligee thereto.
- 13.3 ISMSL shall be entitled to the benefit of all insurance policies which have been issued in respect of Dish TV in respect of Non DTH Business and ASSL and the name of ISMSL shall be substituted as "Insured" in the policies as if ISMSL was initially a party.
- 13.4 With effect from the Appointed Date and upon the Scheme becoming effective, all permits including operating permits, quotas, rights, entitlements, licenses including those relating to tenancies, trademarks, patents, copy rights, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Transferor Company, and all rights relating thereto to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be and remain in full force and effect in favour of or against the Transferee Company, and may be enforced fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a beneficiary or obligee thereto.
- 13.5 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions, approvals, exemption schemes, or consents required to carry on operations of Dish TV in respect of Non DTH Business and ASSL, respectively, shall stand vested in or transferred to ISMSL without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of ISMSL. The benefit of all statutory and regulatory

permissions, licenses, environmental approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of Dish TV in respect of Non DTH Business and ASSL shall vest in and become available to ISMSL pursuant to the Scheme.

13.6 ISMSL, at any time after the Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, will execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to Non DTH Business and ASSL to which Dish TV and ASSL are a party respectively in order to give formal effect to the above provisions. ISMSL shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of Dish TV and ASSL and to carry out or perform all such formalities or compliances, referred to above, on behalf of Dish TV and ASSL.

#### **14. SAVING OF CONCLUDED TRANSACTIONS**

14.1 The transfer of properties and liabilities under clauses 4 and 8 above and the continuance of proceedings by or against ISMSL under clause 12 above shall not affect any transaction or proceedings concluded by Dish TV in respect of Non DTH Business and ASSL with the prior written consent of ISMSL, on or after the Appointed Date till the Effective Date, to the end and intent that ISMSL accepts and adopts all acts, deeds and things done and executed by Dish TV in respect of Non DTH Business and ASSL in respect thereto as done and executed on behalf of itself.

#### **15. STAFF, WORKMEN & EMPLOYEES**

15.1 On the Scheme becoming operative, all staff, workmen and employees of Dish TV in respect of Non DTH Business and ASSL, if any, in service on the Effective Date shall be deemed to have become staff, workmen and employees of ISMSL without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with ISMSL shall not be less favourable than those applicable to them with reference to Dish TV in respect of Non DTH Business and ASSL respectively on the Effective Date.

15.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts created or existing for the benefit of the staff, workmen and employees of Dish TV in respect of Non DTH Business and ASSL shall become the trusts/ funds of ISMSL for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of Dish TV in respect of Non DTH Business and ASSL in relation to such Fund or Funds shall become those of ISMSL. It is clarified that the services of the staff, workmen and employees of Dish TV in respect of Non DTH Business and ASSL will be treated as having been continuous for the purpose of the said Fund or Funds.

## **PART 4**

### **OTHER TERMS AND CONDITIONS**

#### **16. APPLICATION TO HIGH COURT**

16.1 Dish TV, ASSL and ISMSL shall with all reasonable dispatch, make all necessary applications under Sections 391 to 394 and other applicable provisions of the Act to the High Court for seeking approval of the Scheme.

16.2 ASSL shall with all reasonable dispatch, make necessary application under Sections 391 to 394 and other applicable provisions of the Act to the High Court for dissolution without being wound-up.

#### **17. COMBINATION OF AUTHORISED CAPITAL**

17.1 Upon sanction of this Scheme, the authorised share capital of ISMSL shall automatically stand increased without any further act, instrument or deed including payment of stamp duty and fees payable to Registrar of Companies, by the authorised share capital of ASSL as on the Effective Date.

17.2 The Memorandum of Association and Articles of Association of ISMSL (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, pursuant to Sections 16, 31, 94 and 394 and applicable provisions of the Act, as the case may be and for this purpose the stamp duty and fees paid on the authorized capital of ASSL shall be utilized and applied to the increased authorized share capital of ISMSL and no payment of any extra stamp duty and/or fee shall be required by ISMSL for increase in the authorised share capital to that extent.

#### **18. WINDING UP**

18.1 On the Scheme becoming effective, ASSL shall stand dissolved without being wound up.

#### **19. CONDITIONALITY OF THE SCHEME**

19.1 This Scheme is and shall be conditional upon and subject to:

- (a) The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.
- (b) The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of Dish TV, ASSL and ISMSL, as the case may be, and as directed by the High Court of Judicature at Delhi.
- (c) The Scheme being sanctioned by the High Court of Judicature at Delhi or any other authority under Sections 391 to 394 and other applicable provisions of the Act.
- (d) The certified copies of the Orders of High Court of Judicature at Delhi sanctioning the Scheme being filed with the Registrar of Companies, Delhi by Dish TV, ASSL and ISMSL respectively.

#### **20. MODIFICATION OR AMENDMENT TO THE SCHEME**

20.1 Dish TV, ASSL and ISMSL by their respective Board of Directors or any duly authorised committee may make or consent to any modifications or amendments to the Scheme or to any conditions or limitations that the Court or any other authority may deem fit to direct or impose or which may

otherwise be considered necessary, desirable or appropriate by them and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect.

## **21. EFFECT OF NON-RECEIPT OF APPROVALS**

21.1 In the event of any of the said sanctions and approvals referred to in the preceding clause not being obtained and/ or the Scheme not being sanctioned by the High Court or such other competent authority and / or the Order not being passed as aforesaid before March 31, 2011 or such other date as may be agreed by the respective Board of Directors of Dish TV, ASSL and ISMSL, the Scheme shall become null and void, and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

## **22. COSTS, CHARGES AND EXPENSES**

22.1 All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed), incurred in carrying out and implementing this Scheme and matters incidentals thereto, shall be borne by Dish TV.

### **Schedule -II**

#### **Schedule annexed with the Form No 42 of the Court Rules 1959**

#### **SCHEDULE**

##### **PART-I**

**(Description of Freehold Property to be transferred as on 31st March, 2010)**

(NOT APPLICABLE)

##### **PART-II**

**(Description of Leasehold property to be transferred as on 31st March, 2010)**

(NOT APPLICABLE)

##### **PART-III**

**(Description of Stocks, debentures and other charges in action to be transferred as on 31st March, 2010)**

Equity Shares of Agrani Satellite Services Limited	944,010,040
Share Application Money in Agrani Satellite Services Limited	367,066,075
Loan & Advances to foreign companies	1,208,430,395
Equity Shares of Agrani Convergence Limited	124,705,440
Pre-Operative expenses	432,447,828

PART-III

(Description of Stocks, debentures and other charges in action to be transferred  
as on 31st March, 2010)

<b><u>Fixed Assets:-</u></b>	
Computers	96,441
Office Equipments	15,13,768
Furniture and fixtures	1,00,518
<b><u>Current Assets:-</u></b>	
<b><u>Loan and Advances:-</u></b>	
Inter corporate Loans	43,10,18,492
Tax Advance	2,90,21,997
Other Advances	1,57,01,28,665
<b><u>Cash and Bank Balances</u></b>	<b>1,31,50,090</b>

Dated this the 3<sup>rd</sup> March, 2011

By order of the Court

-sd/-

Joint Registrar (Co.)  
For Registrar General

IN THE HIGH COURT OF DELHI AT NEW DELHI

(Original Company Jurisdiction)

**COMPANY PETITION 507 /2010**

Connected with

**COMPANY APPLICATION (M): 135/2010**

**IN THE MATTER OF COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT  
BETWEEN**

M/s DISH TV INDIA LIMITED .....Demerged Company

AND

M/s INTEGRATED SUBSCRIBER MANAGEMENT SERVICES LIMITED..... Resulting  
/ Transferee Company

AND

M/s AGRANI SATELLITE SERVICES LIMITED.....Transferor Company  
(Hereinafter collectively referred to as "Applicant Companies")

### **MEMO OF PARTIES**

M/s Dish TV India Limited

A Company incorporated under the Companies Act, 1956

Having its registered office at Essel House, B-10,

Lawrence Road Industrial Area, Delhi – 110035 .....Demerged Company

#### **AND**

M/s Integrated Subscriber Management Services Limited

A Company incorporated under the Companies Act, 1956

Having its registered office at Essel House, B-10,

Lawrence Road Industrial Area, Delhi – 110035 .....Resulting/Transferee Company

#### **AND**

M/s Agrani Satellite Services Limited

A Company incorporated under the Companies Act, 1956

Having its registered office at Essel House, B-10,

Lawrence Road Industrial Area, Delhi – 110035..... Transferor Company

Petitioner – Demerged Company

Petitioner – Resulting/Transferee Company

Petitioner – Transferor Company

Through

Suman Doval & Associates

Advocates

53, Babar Road,

New Delhi – 1100 01

Telephone : 011-435 12868, Mobile : 98.101.56903

E-mail: consultingcounsel@gmail.com

sumandoval@hotmail.com

Place: New Delhi

Date: 30<sup>th</sup> Nov, 2010

IN THE HIGH COURT OF DELHI AT NEW DELHI

(ORIGINAL JURISDICTION)

IN THE MATTER OF COMPANIES ACT, 1956

AND

IN THE MATTER OF COMPOSITE SCHEME OF AMALGAMATION

AND ARRANGEMENT BETWEEN

COMPANY PETITION NO. 507/2010

CONNECTED WITH

COMPANY APPLICATION (M) NO. 135/2010

IN THE MATTER OF M/s. Dish TV India Ltd.

having its Regd. Office at: Essel House, B-10,  
Lawrence Road Industrial Area,  
Delhi – 110035 .....Petitioner / Demerged Company

AND

IN THE MATTER OF M/s. Integrated Subscriber Management Services Ltd.

having its Regd. Office at: Essel House, B-10,  
Lawrence Road Industrial Area,  
Delhi – 110035 .....Petitioner / Resulting / Transferee Company

AND

IN THE MATTER OF M/s Agrani Satellite Services Limited

having its Regd. Office at: Essel House, B-10,  
Lawrence Road Industrial Area,  
Delhi – 110035 .....Petitioner/ Transferor Company

**BEFORE HON'BLE MR. JUSTICE MANMOHAN**

**DATED THIS THE 3<sup>rd</sup> DAY OF MARCH, 2011**

**CORRIGENDUM**

In the formal order dated 3<sup>rd</sup> March, 2011, the para A-4 mentioned at page-4 be treated as deleted and now the same be read as “As per Clause 5.1 of Part 2A, upon the scheme becoming effective and in consideration of the demerger of the Non DTH Business of Dish TV into ISMSL , ISMSL shall issue and allot 1,00,000 (One lakh) equity shares of Rs. 10 each to Dish TV”.

Again, the para B-4 mentioned at page- 5 be treated as deleted and now the same be read as “As per Clause 10.1 of Part 2B, pursuant to Part 2A of the Scheme, ASSL shall become a wholly owned subsidiary of ISMSL. Since ISMSL is not permitted to issue shares to itself under the provisions of the Act, no new shares shall be issued or allotted by ISMSL, as consideration of amalgamation of ASSL in terms of Clause 8 of the scheme.

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-sd/-

Joint Registrar (Co.)  
For Registrar General